



Agenda Date: 5/22/24
Agenda Item: 2E

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) ORDER APPROVING STIPULATION
SERVICE ELECTRIC AND GAS COMPANY FOR) OF SETTLEMENT
APPROVAL OF ELECTRIC RATE)
ADJUSTMENTS PURSUANT TO THE) DOCKET NO. ER23110783
INFRASTRUCTURE ADVANCEMENT)
PROGRAM (IAP)

Parties of Record:

Danielle Lopez, Esq., Public Service Electric and Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On November 1, 2023, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking cost recovery of certain electric infrastructure investments within its Infrastructure Advancement Program (“IAP” or “Program”) (“November 2023 Petition”). By this Order, the Board considers a stipulation of settlement (“Stipulation”) executed by PSE&G, Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) intended to resolve the Company’s requests related to the November 2023 Petition.

BACKGROUND

By Order dated June 29, 2022, the Board approved a stipulation authorizing PSE&G to implement its Infrastructure Advancement Program (“IAP” or “Program”) pursuant to N.J.A.C. 14:3-2A.1 et seq., wherein the Company would invest up to \$511 million within the Program through December 31, 2023.¹ As noted in the IAP Order, \$351 million of investment would be eligible for accelerated recovery and \$160 million of investment would be considered stipulated base expenditure to be recoverable within the Company’s next base rate case.² The IAP projects were aimed at

¹ In re the Petition of Public Service Electric and Gas Company for Approval of an Infrastructure Advancement Program (IAP), BPU Docket Nos. EO21111211 and GO21111212, Order dated June 29, 2022 (“IAP Order”).

² See IAP Order, Page 9, Paragraph 12

improving the reliability and resilience of the Company’s electric and gas systems, including raising and rebuilding substations, deploying advanced technology, and modernizing critical gas equipment.

The IAP subprograms and stipulated expenditure amounts for accelerated recovery are summarized below:

IAP Electric Subprograms	Total Spending
Electric Outside Plant Subprograms	\$91.00
Spacer Cable Conversion Project	\$42.00
Lashed Cable Replacement Project	\$14.00
Spacer Upgrade Project	\$15.00
Conventional Underground Cable Replacement Project	\$8.00
Voltage Optimization Project	\$12.00
Substation Modernization Subprograms	\$190.20
26kV Station Upgrade Project	\$33.00
4kV Substation Modernization Project	\$157.20
IAP Electric Total	\$281.20
IAP Gas M&R	
Gas Meter and Regulating Station Modernization Subprogram	\$69.80
IAP Gas Total	\$69.80
Total IAP Accelerated Recovery	\$351.00

November 2023 Petition

In the November 2023 Petition, PSE&G estimated the annualized increase in revenue requirement for electric infrastructure investments to be approximately \$6.01 million (associated with a total gross plant of approximately \$47.44 million). PSE&G did not request recovery of costs incurred for gas infrastructure investments as the 10% threshold to qualify for accelerated cost recovery had not been reached. The November 2023 Petition was based upon actual expenditures through September 30, 2023, and forecasted expenditures from October 1, 2023 through January 31, 2024.

On February 21, 2024, the Company updated the November 2023 Petition to include actual Program expenditures through January 31, 2024 (“Update”). In the Update, the Company adjusted its proposed revenue requirement for electric infrastructure investments to approximately \$5.404 million (associated with a total gross plant of approximately \$42.885 million).

Following proper notice, two (2) virtual public hearings were held on April 29, 2024. No members of the public attended the public hearing and no comments were received by the Board.

STIPULATION

Following a review of the November 2023 Petition, the Update, and conducting discovery, the Parties executed the Stipulation, which provides for the following:³

1. The Company will implement rates to recover an electric revenue requirement of \$5.40 million as shown in Schedule SS-IAP-2 (Update), attached to the Stipulation as Attachment 1.
2. PSE&G may implement the proposed rates, attached to the Stipulation as Attachment 2, which are associated with the revenue requirements referenced in the Stipulation pursuant to the rate design methodology reflected in Schedules SS-IAP-5 (Update).
3. The impact of the proposed rates on a typical residential electric customer using 740 kilowatt-hours in a summer month, and 577 kilowatt-hours in an average month (6,920 kilowatt-hours annually), would see an increase in their average monthly bill from \$119.57 to \$119.76, or \$0.19, or approximately 0.16% [based upon delivery rates and Basic Generation Service- Residential and Small Commercial Pricing (“BGS-RSCP”) charges in effect April 1, 2024 and assuming that the customer receives BGS-RSCP service from PSE&G].
4. PSE&G may implement the rates in Attachment 2 of the Stipulation effective no earlier than June 1, 2024. The rate adjustments established in the Stipulation shall be provisional and subject to refund contingent upon the Board finding that PSE&G imprudently capital expenditures under the IAP. These IAP capital expenditures have been included in the Company’s current base rate case pending before the Board filed December 29, 2023⁴, in accordance with the Board’s Order in the Next Phase of the Company’s Gas System Modernization Program.⁵ Nothing in the Stipulation will preclude any party from raising any objection in the base rate case prudence review that could have been raised in an Infrastructure Investment Program rate filing.

DISCUSSION AND FINDINGS

After a review of the record in this matter, including the November 2023 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. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

³ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, 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.

⁴ 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. 17 Electric and B.P.U.N.J. No. 17 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, Docket Nos. ER23120924 and GR23120925, filed December 29, 2023.

⁵ In re the Petition of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism (“GSMP II”), Docket No. GR17070776, Order dated May 22, 2018, at ¶40.

The Board **HEREBY APPROVES** the rate adjustments reflected in the Stipulation on a provisional basis, subject to refund and review for prudence in a future base rate case, effective for service rendered on and after June 1, 2024. As a result of the Stipulation, a typical residential electric customer using approximately 740 kWh in a summer month and 6,920 kWh annually would see an increase in the average monthly bill of \$0.19.

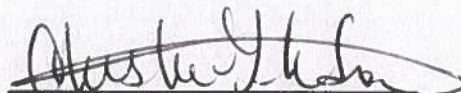
The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order prior to June 1, 2024.


The Company's costs, including those related to the Program, 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.

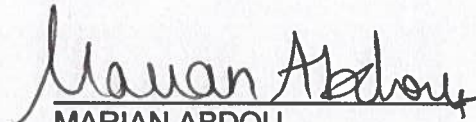
This Order shall be effective on May 29, 2024.

DATED: May 22, 2024

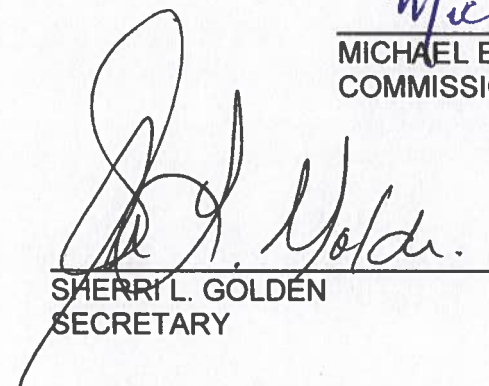
BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRIL 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
ELECTRIC RATE ADJUSTMENTS PURSUANT TO THE INFRASTRUCTURE ADVANCEMENT PROGRAM (IAP)

DOCKET NO. ER23110783

SERVICE LIST

Public Service Electric and Gas Company

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

Joseph Accardo, Jr., Esq.
joseph.accardojr@pseg.com

Danielle Lopez, Esq.
danielle.lopez@pseg.com

Caitlyn White
caitlyn.white@pseg.com

Bernard Smalls
bernard.smalls@pseg.com

Maria Barling
maria.barling@pseg.com

Stacey M. Mickles, Esq.
Law Department
PSEG Services Corporation
80 Park Plaza, T10,
Newark, New Jersey 07102-4194
Stacey.Mickles@pseg.com

New Jersey Division of Law
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625

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

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

Steven Chaplar, DAG
steven.chaplar@law.njoag.gov

Board of Public Utilities

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

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

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

Division of Revenue and Rates

Andrew Tuzzo
andrew.tuzzo@bpu.nj.gov

Counsel's Office

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

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

New Jersey Division of Rate Counsel

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

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

T. David Wand, Esq., Managing Attorney - Electric
[dward@rpa.nj.gov](mailto:dwand@rpa.nj.gov)

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

Robert M. Glover, Esq., Assistant Deputy
rglover@rpa.nj.gov

Danielle Lopez
Associate Counsel - Regulatory

Law Department
PSEG Services Corporation
80 Park Plaza – T10, Newark, New Jersey 07102-4194
tel : 973-430-6479 fax: 973-430-5983
email: danielle.lopez@pseg.com



May 10, 2024

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Electric Rate Adjustments
Pursuant to the Infrastructure Advancement Program

BPU Docket No. ER23110783

VIA ELECTRONIC MAIL

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

Dear Acting 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.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written in a cursive style.

cc: Attached service list (via email)

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF AN INFRASTRUCTURE ADVANCEMENT PROGRAM (IAP)

DOCKET NOS. ER23110783

SERVICE LIST

<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Sherri Golden, Board Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Division of Energy</u></p> <p>Malike Cummings malike.cummings@bpu.nj.gov</p> <p>David Brown david.brown@bpu.nj.gov</p> <p>Ryan Moran ryan.moran@bpu.nj.gov</p> <p><u>Counsel's Office</u></p> <p>Abe Silverman, Esq., General Counsel abe.silverman@bpu.nj.gov</p> <p>Carol Artale, Esq., Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Heather Weisband, Esq. heather.weisband@bpu.nj.gov</p> <p><u>Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p>	<p><u>PSE&G</u> PSEG Services Corporation 80 Park Plaza, T5 Post Office Box 570 Newark, NJ 07102</p> <p>Joseph F. Accardo, Esq. joseph.accardojr@pseg.com</p> <p>Matthew M. Weissman, Esq. matthew.weissman@pseg.com</p> <p>Danielle Lopez, Esq. danielle.lopez@pseg.com</p> <p>Caitlyn White caitlyn.white@pseg.com</p> <p>Bernard Smalls Bernard.Smalls@pseg.com</p> <p>Kenneth T. Maloney Cullen and Dykman LLP 1101 14th St., NW Suite 750 Washington, DC 20005 kmaloney@cullenllp.com</p> <p><u>Division of Law</u> NJ Department of Law and Public Safety Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, P.O. Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov</p> <p>Michael Beck, DAG michael.beck@law.njoag.gov</p>
---	--

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

Maura Caroselli, Esq.
mcaroselli@rpa.nj.gov

Brian Weeks, Esq.
bweeks@rpa.nj.gov

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

Kurt Lewandowski, Esq.
klewando@rpa.nj.gov

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

Robert Glover, Esq.
rglover@rpa.nj.gov

Megan Lupo, Esq.
mlupo@rpa.nj.gov

Debora Layugan
dlayugan@rpa.nj.gov

Karen Forbes
kforbes@rpa.nj.gov

Rate Counsel Consultants

Andrea Crane
The Columbia Group, Inc.
2805 East Oakland Park Boulevard, #401
Fort Lauderdale, FL 3306
ctcolumbia@aol.com

Max Chang
Synapse Energy Economics, Inc.
485 Massachusetts Ave., Suite 3
Cambridge, MA 02139
mchang@synapse-energy.com

Marlon Griffing, Ph.D
PCMG and Associates
22 Brookes Drive
Gatthersburg, MD 20785
mgriffing@pcmgregcon.com

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

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

NJLEUC

Steven S. Goldenberg
Giordano, Halleran & Ciesla, P.C.
125 Half Mile Road, Suite 300
Red Bank, NJ 07701
sgoldenberg@ghclaw.com

Paul F. Forshay
Eversheds Sutherland (US) LLP
700 Sixth Street, N.W., Suite 700
Washington, D.C. 20001
paulforshay@eversheds-sutherland.com

South Jersey Gas Company/Elizabethtown Gas Company

South Jersey Industries, Inc.
520 Green Lane
Union, NJ 07083

Deborah M. Franco, Esq.
dfranco@sjindustries.com

Sheree L. Kelly, Esq.
skelly@sjindustries.com

SJI Utilities, Inc.
1 South Jersey Place
Atlantic City, NJ 08401

Cindy Capozzoli
ccapozzoli@sjindustries.com

Carolyn A. Jacobs
cjacobs@sjindustries.com

NJLECET

Bradley M. Parsons, Esq.
Kroll Heineman Ptasiwicz & Parsons, LLC
Metro Corporate Campus One
99 Wood Avenue South, Suite 307
Iselin, New Jersey 08830
bparsons@krollfirm.com

Ezra Hausman, Ph.D
Ezra Hausman Consulting
77 Kaposia Street
Newton, MA 02466
ezra@ezrahausman.com

Acadian Consulting Group
5800 One Perkins Drive
Bldg. 5, Suite F
Baton Rouge, LA 70808

David Dismukes, Ph. D
daviddismukes@acadianconsulting.com

Michael Deupree
michaeldeupree@acadianconsulting.com

Taylor Deshotels
taylordeshotels@acadianconsulting.com

Emily Mouch
emilymouch@acadianconsulting.com

Rod Walker & Associates Consultancy
201 Cherokee Blvd., Suite 101
Chattanooga, TN 37405

Rod Walker
rwalker@rwalkerconsultancy.com

Jeremy Walker
jwalker@rwalkerconsultancy.com

ELEC

Elizabeth K. Schlax, Esq.
Susanin, Widman & Brennan, PC
1001 Old Cassatt Road, Suite 306
Berwyn, PA 19312
eschlax@swbcounselors.com

BMcD

James H. Laskey
Norris McLaughlin, P.A.
400 Crossing Blvd, 8th Floor
Bridgewater, NJ 08807
jlaskey@norris-law.com

IBEW Local Union 94
IBEW Local Union 94
299 Ward Street
East Windsor, NJ 08520

Scott Campbell
scott@ibew94.org

Paul A. Montalbano, Esq.
Cohen, Leder, Montalbano & Connaughton, LLC
669 River Drive, Suite 125
Elmwood Park, NJ 07407
montalbanoemail@yahoo.com

JFCS

50 West State Street, Suite 1104
Trenton, NJ 08608

Michael D. DeLoreto, Esq.
mdeloreto@gibbonslaw.com

Kevin G. Walsh, Esq.
kwalsh@gibbonslaw.com

Courtney A. Johnson, Esq.
cjohnson@gibbonslaw.com

FCC

Louis A. Modugno
Triff & Modugno LLC
89 Headquarters Plaza, North Tower, Suite
1201
Morristown, NJ 07960
lmodugno@tm-firm.com

W&B

Jeff Waters, President
Waters & Bugbee, Inc.
75 South Gold Drive
Hamilton, NJ 08691
jwaters@watersandbugbee.com

John D. Cromie, Esq.
Connell Foley LLP
56 Livingston Ave
Roseland, NJ 07068
jcromie@connellfoley.com

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

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ELECTRIC RATE ADJUSTMENTS PURSUANT TO THE INFRASTRUCTURE ADVANCEMENT PROGRAM	BPU DOCKET NO. ER23110783
--	---------------------------

STIPULATION AND AGREEMENT

APPEARANCES:

Danielle Lopez, Esq., Associate Counsel-Regulatory, for Public Service Electric and Gas Company

T. David Wand, Esq., Managing Attorney - Electric, **Bethany Rocque-Romaine, Esq.**, Assistant Deputy Rate Counsel and **Robert M. Glover, Esq.**, Assistant Deputy Rate Counsel, on behalf of the New Jersey Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director, Division of Rate Counsel)

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

BACKGROUND

On November 4, 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”) pursuant to subchapter *N.J.A.C. 14:3-2A.1 et seq.* (“IIP Rules”) seeking approval of its Infrastructure Advancement Program (“IAP”), which consisted of infrastructure investments to enhance safety, system reliability, and resiliency through both electric and gas subprograms (“2021 Petition”). According to the 2021 Petition, PSE&G proposed an estimated investment of \$708 million in electric infrastructure and \$140 million in gas infrastructure over four (4) years, with cost recovery based upon the Board’s IIP rules.

Following discovery, the filing of testimony, and settlement conferences, on June 23, 2022, the parties executed, and filed with the Board, a stipulation of settlement resolving the 2021 Petition. By Order dated June 29, 2022, the Board approved the stipulation, which authorized a maximum

IAP spend of \$511 million to complete the IAP Program, of which \$351 million recovered through the stipulated cost recovery mechanism, and the other \$160 million would be considered stipulated base expenditures to be recovered in the Company's next base rate case.¹ The Company's costs related to the IAP Program remained subject to a prudence review and audit by the Board. The Company was also authorized to request cost recovery of four (4) rate adjustment filings, through the IAP cost recovery mechanism, over the course of the four (4) year Program term provided the Company issues 60 days' notice prior to the filing of a rate recovery petition. The IAP Order also outlined the Minimum Filing Requirements for the IAP cost recovery petitions.

Under the stipulation approved by the IAP Order, the maximum subprogram investment levels for specific IAP subprogram investment levels would include the following amounts:

A. Electric Infrastructure Advancement Program

\$ Million

Electric Outside Plant Subprogram	
Spacer Cable Conversion Project	\$42.00
Lashed Cable Replacement Project	\$14.00
Spacer Upgrade Project	\$15.00
Conventional Underground Cable Replacement Project	\$8.00
Voltage Optimization Project	\$12.00
Substation Modernization Subprogram	
26kV Station Upgrade Project	\$33.00
4kV Substation Modernization Project	\$157.20
<i>Electric IAP Total</i>	<i>\$281.20</i>

B. Gas Infrastructure Advancement Program

Gas Metering and Regulating Station Modernization Subprogram	\$69.80
<i>Gas IAP Total</i>	<i>\$69.80</i>

Total IAP Accelerated Recovery

\$351.00

¹ In re the Petition of Public Service Electric and Gas Company for Approval of an Infrastructure Advancement Program (IAP), BPU Docket Nos. EO21111211 and GO21111212, Order dated June 29, 2022 (“IAP Order”).

IAP NOVEMBER 2023 PETITION

On September 1, 2023, PSE&G issued a Notice of intent to file for a rate adjustment in accordance with the IAP Stipulation. Thereafter on November 1, 2023, PSE&G filed a petition with the Board seeking approval to recover the revenue requirements associated with certain capitalized IAP electric investments through December 31, 2023 (“November 2023 Petition”). Consistent with the IAP Order, PSE&G’s November 2023 Petition sought authority to recover an estimated annualized increase of \$6.01 million from its electric customers associated with IAP electric program investment costs. The annualized increase in the electric revenue requirements was based upon actual expenditures through September 30, 2023, and projected expenditures through January 31, 2024. PSE&G did not request recovery of costs incurred for gas infrastructure investments as the 10% threshold to qualify for accelerated gas recovery was not reached.

On February 21, 2024, the Company updated the November 2023 Petition to reflect actual data through January 31, 2024 (“February 2024 Update”). As a result, the Company’s electric revenue requirement decreased from \$6.01 million to \$5.40 million.

Notice of the Company’s November 2023 Petition, including the date, time and telephonic dial-in details for virtual public hearings, were placed in newspapers having a circulation within the Company’s service territory, and were also served on the Clerks of the municipalities, the Clerks of the Board of County Commissioners, and the County Executives within the Company’s service territory. In accordance with that notice, and as authorized by N.J.S.A. 10:4-9.3, two (2) virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on April 29, 2024. No members of the public attended the public hearings, and no written comments were received by the Board.

Upon review of the November 2023 Petition, Board Staff, the New Jersey Division of Rate Counsel (“Rate Counsel”), and PSE&G, the only parties to this proceeding (collectively, “Parties”),
HEREBY STIPULATE AND AGREE AS FOLLOWS:

1. The Company will implement rates to recover an electric revenue requirement of \$5.40 million as shown in Schedule SS-IAP-2 (Update), attached hereto as Attachment 1.

2. PSE&G may implement the proposed rates, attached hereto as Attachment 2, which are associated with the revenue requirements referenced above pursuant to the rate design methodology reflected in Schedules SS-IAP-5 (Update).

3. The impact of the proposed rates on a typical residential electric customer using 740 kilowatt-hours in a summer month, and 577 kilowatt-hours in an average month (6,920 kilowatt-hours annually), would be an increase in their average monthly bill from \$119.57 to \$119.76, or \$0.19, or approximately 0.16% [based upon delivery rates and Basic Generation Service- Residential and Small Commercial Pricing (“BGS-RSCP”) charges in effect April 1, 2024 and assuming that the customer receives BGS-RSCP service from PSE&G].

4. PSE&G may implement the rates in Attachment 2 effective no earlier than June 1, 2024. The rate adjustments established herein shall be provisional and subject to refund contingent upon the Board finding that PSE&G imprudently incurred capital expenditures under the IAP. These IAP capital expenditures have been included in the Company’s current base rate case pending before the Board filed December 29, 2023², in accordance with the Board’s Order in the Next Phase of the Company’s Gas System Modernization Program.³ Nothing herein will preclude any Party from raising any objection in the base rate case prudence review that could have been raised in an IIP rate filing.

² 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. 17 Electric and B.P.U.N.J. No. 17 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, Docket Nos. ER23120924 and GR23120925, filed December 29, 2023.

³ In re the Petition of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism (“GSMP II”), Docket No. GR17070776, Order dated May 22, 2018, at ¶40.

5. 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. 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.

6. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.

7. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, PSE&G, Board 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. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

8. The Parties 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.

WHEREFORE, the Parties hereto respectfully submit this Stipulation to the Board and recommend that the Board issue an Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.


PUBLIC SERVICE ELECTRIC AND GAS COMPANY



BY: _____
Danielle Lopez, Esq.
Associate Counsel, Regulatory


DATED: May 9, 2024

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

BY:  _____
Matko Ilic
Deputy Attorney General

DATED: May 10, 2024

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

BY:  _____
Bethany Rocque-Romaine
Assistant Deputy Rate Counsel

DATED: May 10, 2024

PSE&G Infrastructure Advancement Program

Electric Revenue Requirements

Schedule SS-IAP-2 (Update)

in (\$000)

Rate Adjustment 1 Filing

Rate Effective Date	5/1/2024
Plant In Service as of Date	1/31/2024
Rate Base Balance as of Date	4/1/2024

RATE BASE CALCULATION

1 Gross Plant	\$42,885	= In 16
2 Accumulated Depreciation	\$6,727	= In 19
3 Net Plant	\$49,612	= In 1 + In 2
4 Accumulated Deferred Taxes	-\$1,410	= See "Project" Wkps Row 670
5 Rate Base	\$48,202	= In 3 + In 4
6 Rate of Return - After Tax (Schedule WACC)	6.48%	See Schedule SS-IAP-3
7 Return Requirement (After Tax)	\$3,124	= In 5 * In 6
8 Depreciation Exp, net	\$777	= In 25
9 Tax Adjustment	-\$26	= In 31
10 Revenue Factor	1.3947	See Schedule SS-IAP-4
11 Total Revenue Requirement	\$5,404	= (In 7 + In 8 + In 9) * In 10

SUPPORT

Gross Plant

12 Plant in-service	\$42,885	= See "Project" Wkps Row 648
13 CWIP Transferred into Service	\$0	= See "Project" Wkps Row 649
14 AFUDC on CWIP Transferred Into Service - Debt	\$0	= See "Project" Wkps Row 650
15 AFUDC on CWIP Transferred Into Service - Equity	\$0	= See "Project" Wkps Row 651
16 Total Gross Plant	\$42,885	= In 12 + In 13 + In 14 + In 15

Accumulated Depreciation

17 Accumulated Depreciation	-\$605	= See "Project" Wkps Row 657
18 Cost of Removal	\$7,332	= See "Project" Wkps Row 652
19 Net Accumulated Depreciation	\$6,727	= In 17 + In 18

Depreciation Expense (Net of Tax)

20 Depreciable Plant (xAFUDC-E)	\$42,885	= In 12 + In 13 + In 14
21 AFUDC-E	-	= In 15
22 Depreciation Rates - Composite/Blended Rate	2.52%	= In 23 / In 20
23 Depreciation Expense	\$1,080	= See "Project" Wkps Row 656
24 Tax @28.11%	\$303.62	= In 23 * Tax Rate
25 Depreciation Expense (Net of Tax)	\$777	= In 23 - In 24

Tax Adjustment

26 Cost of Removal*	\$7,332	= In 18
27 Estimated pre-1981 %	8.54%	N/A
28 Amortization Period	5	N/A
29 Tax Amortization	\$125.16	= In 26 * In 27 / In 28
30 Federal Tax Rate	21.00%	See Schedule SS-IAP-3
31 Tax Adjustment	\$26	= In 29 * In 30

* Does not apply to Gas assets that have a COR allowance instead of COR in depreciation rate

Electric Tariff Rates

Proposed Revenue Requirement Increase \$ 5,403,880

Rate Schedules		Current Total Distribution Charges		Proposed Total Distribution Charges		ESII Rate Adjustment 4 IIP Charges		Total ESII IIP Charges	
		Charge w/out SUT	Charge w/ SUT	Charge w/out SUT	Charge w/ SUT	Charge w/out SUT		Charge w/out SUT	Charge w/ SUT
						SUT	Charge w/ SUT		
RS	Service Charge	\$4.64	\$4.95	\$4.64	\$4.95	\$0.00	\$0.00	\$0.00	\$0.00
	Distribution 0-600 Sum	\$0.045704	\$0.048732	\$0.046424	\$0.049500	\$0.000720	\$0.000768	\$0.008204	\$0.008748
	Distribution 0-600 Win	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.000000	\$0.000000	\$0.000000	\$0.000000
	Distribution over 600 Sum	\$0.049525	\$0.052806	\$0.050245	\$0.053574	\$0.000720	\$0.000768	\$0.008204	\$0.008748
	Distribution over 600 Win	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.000000	\$0.000000	\$0.000000	\$0.000000
RHS	Service Charge	\$4.64	\$4.95	\$4.64	\$4.95	\$0.00	\$0.00	\$0.00	\$0.00
	Distribution 0-600 Sum	\$0.052835	\$0.056335	\$0.053247	\$0.056775	\$0.000412	\$0.000440	\$0.004634	\$0.004941
	Distribution 0-600 Win	\$0.034719	\$0.037019	\$0.034901	\$0.037213	\$0.000182	\$0.000194	\$0.002117	\$0.002257
	Distribution over 600 Sum	\$0.057735	\$0.061560	\$0.058147	\$0.061999	\$0.000412	\$0.000439	\$0.004634	\$0.004941
	Distribution over 600 Win	\$0.017119	\$0.018253	\$0.017301	\$0.018447	\$0.000182	\$0.000194	\$0.002117	\$0.002257
	Common Use	\$0.057735	\$0.061560	\$0.058147	\$0.061999	\$0.000412	\$0.000439	\$0.004634	\$0.004941
RLM	Service Charge	\$13.07	\$13.94	\$13.07	\$13.94	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. kWhr Summer On	\$0.076937	\$0.082034	\$0.077688	\$0.082835	\$0.000751	\$0.000801	\$0.007142	\$0.007615
	Distrib. kWhr Summer Off	\$0.016062	\$0.017126	\$0.016223	\$0.017298	\$0.000161	\$0.000172	\$0.001496	\$0.001595
	Distrib. kWhr Winter On	\$0.016062	\$0.017126	\$0.016223	\$0.017298	\$0.000161	\$0.000172	\$0.001496	\$0.001595
	Distrib. kWhr Winter Off	\$0.016062	\$0.017126	\$0.016223	\$0.017298	\$0.000161	\$0.000172	\$0.001496	\$0.001595
WH	Distribution	\$0.049482	\$0.052760	\$0.049692	\$0.052984	\$0.000210	\$0.000224	\$0.002294	\$0.002446
WHS	Service Charge	\$0.63	\$0.67	\$0.63	\$0.67	\$0.00	\$0.00	\$0.04	\$0.04
	Distribution	\$0.001925	\$0.002053	\$0.001988	\$0.002120	\$0.000063	\$0.000067	\$0.000373	\$0.000398
HS	Service Charge	\$3.75	\$4.00	\$3.77	\$4.02	\$0.02	\$0.02	\$0.26	\$0.28
	Distribution June-September	\$0.098011	\$0.104504	\$0.098299	\$0.104811	\$0.000288	\$0.000307	\$0.002018	\$0.002151
	Distribution October-May	\$0.029426	\$0.031375	\$0.029505	\$0.031460	\$0.000079	\$0.000085	\$0.000710	\$0.000757
GLP	Service Charge	\$4.78	\$5.10	\$4.81	\$5.13	\$0.03	\$0.03	\$0.34	\$0.36
	Service Charge-unmetered	\$2.20	\$2.35	\$2.21	\$2.36	\$0.01	\$0.01	\$0.14	\$0.15
	Service Charge-Night Use	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. KW Annual	\$3.7660	\$4.0155	\$3.7732	\$4.0232	\$0.0072	\$0.0077	\$0.0801	\$0.0854
	Distrib. KW Summer	\$9.4441	\$10.0698	\$9.4619	\$10.0888	\$0.0178	\$0.0190	\$0.2008	\$0.2142
	Distribution kWhr, June-September	\$0.003079	\$0.003283	\$0.003085	\$0.003289	\$0.000006	\$0.000006	\$0.000066	\$0.000070
	Distribution kWhr, October-May	\$0.007858	\$0.008379	\$0.007873	\$0.008395	\$0.000015	\$0.000016	\$0.000167	\$0.000178
	Distribution kWhr, Night use, June-Septembe	\$0.007858	\$0.008379	\$0.007873	\$0.008395	\$0.000015	\$0.000016	\$0.000167	\$0.000178
	Distribution kWhr, Night use, October-May	\$0.007858	\$0.008379	\$0.007873	\$0.008395	\$0.000015	\$0.000016	\$0.000167	\$0.000178

Electric Tariff Rates

Proposed Revenue Requirement Increase \$ 5,403,880

Rate Schedules		Current Total Distribution Charges		Proposed Total Distribution Charges		ESII Rate Adjustment 4 IIP Charges		Total ESII IIP Charges	
		Charge w/out SUT	Charge w/ SUT	Charge w/out SUT	Charge w/ SUT	Charge w/out SUT		Charge w/out SUT	Charge w/ SUT
						SUT	Charge w/ SUT		
LPL-Secondary	Service Charge	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. KW Annual	\$3.6224	\$3.8624	\$3.6316	\$3.8722	\$0.0092	\$0.0098	\$0.1036	\$0.1105
	Distrib. KW Summer	\$8.6179	\$9.1888	\$8.6398	\$9.2122	\$0.0219	\$0.0234	\$0.2464	\$0.2627
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
LPL-Primary	Service Charge	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00	\$0.00	\$0.00
	Service Charge-Alternate	\$21.58	\$23.01	\$21.72	\$23.16	\$0.14	\$0.15	\$1.52	\$1.62
	Distrib. KW Annual	\$1.6885	\$1.8004	\$1.6946	\$1.8069	\$0.0061	\$0.0065	\$0.0504	\$0.0538
	Distrib. KW Summer	\$9.3731	\$9.9941	\$9.4071	\$10.0303	\$0.0340	\$0.0362	\$0.2797	\$0.2982
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Subtransmission	Service Charge	\$1,911.39	\$2,038.02	\$1,911.39	\$2,038.02	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. KW Annual	\$1.1442	\$1.2200	\$1.1543	\$1.2308	\$0.0101	\$0.0108	\$0.0821	\$0.0876
	Distrib. KW Summer	\$4.1361	\$4.4101	\$4.1727	\$4.4491	\$0.0366	\$0.0390	\$0.2969	\$0.3165
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
HTS-HV	Service Charge	\$1,720.25	\$1,834.22	\$1,720.25	\$1,834.22	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. KW Annual	\$0.6322	\$0.6741	\$0.6337	\$0.6757	\$0.0015	\$0.0016	\$0.0171	\$0.0183
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
BPL	Distribution Sum	\$0.006894	\$0.007351	\$0.006908	\$0.007366	\$0.000014	\$0.000015	\$0.000173	\$0.000185
	Distribution Winter	\$0.006894	\$0.007351	\$0.006908	\$0.007366	\$0.000014	\$0.000015	\$0.000173	\$0.000185
BPL-POF	Distribution Sum	\$0.006931	\$0.007390	\$0.006974	\$0.007436	\$0.000043	\$0.000046	\$0.000246	\$0.000262
	Distribution Winter	\$0.006931	\$0.007390	\$0.006974	\$0.007436	\$0.000043	\$0.000046	\$0.000246	\$0.000262
PSAL	Distribution Sum	\$0.007355	\$0.007842	\$0.007375	\$0.007864	\$0.000020	\$0.000022	\$0.000191	\$0.000204
	Distribution Winter	\$0.007355	\$0.007842	\$0.007375	\$0.007864	\$0.000020	\$0.000022	\$0.000191	\$0.000204