



Agenda Date: 7/24/24  
Agenda Item: 2D

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://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 )  
CONSERVATION INCENTIVE PROGRAM (2024 PSE&G )  
ELECTRIC CIP RATE FILING) )  
ORDER APPROVING )  
STIPULATION FOR )  
PROVISIONAL RATES )  
DOCKET NO. ER24020073 )

**Parties of Record:**

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

BY THE BOARD:

On February 1, 2024, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval of adjustments to the Company’s Electric Conservation Incentive Program (“ECIP”) customer class rates to account for potential lost sales revenues stemming from the Company’s energy efficiency (“EE”) programs (“Petition”). By this Decision and Order, the Board considers a provisional stipulation of settlement (“Provisional Stipulation”) executed by PSE&G, the New Jersey Division of Rate Counsel, and Board Staff (“Staff”) (collectively, “Parties”) recommending revision of the Company’s ECIP rates on a provisional basis, subject to refund with interest.

**BACKGROUND AND PROCEDURAL HISTORY**

On January 13, 2008, Governor Corzine signed L. 2007, c. 340 (“RGGI Act”) into law, thereby declaring that EE and conservation measures must be essential elements of New Jersey’s energy future.<sup>1</sup>

Pursuant to Section 13 of the RGGI Act, N.J.S.A. 48:3-98.1(a)(1), an electric or gas public utility may provide and invest in EE and conservation programs in its service territory on a regulated basis.<sup>2</sup> If approved by the Board, utility renewable energy, EE, and conservation programs may be eligible for rate treatment, including a return on equity, or other incentives or rate mechanisms

---

<sup>1</sup> N.J.S.A. 26:2C-45.

<sup>2</sup> N.J.S.A. 48:3-98.1(a)(1).

that decouple utility revenue from electric and gas sales.<sup>3</sup> Ratemaking treatment may also include placing appropriate technology and program cost investments in the respective utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board, including, but not limited to, the Societal Benefits Charge established pursuant to L. 1999, c. 23.<sup>4</sup>

On May 23, 2018, Governor Murphy signed L. 2018, c. 17, N.J.S.A. 48:3-87, *et seq.* ("Clean Energy Act" or "CEA"), into law. The CEA, among other goals, aims to reduce emissions via certain energy usage reduction targets, emphasizes the importance of EE and peak demand reduction ("PDR") programs, and requires the Board to adopt an EE program "to ensure investment in cost-effective [EE] measures, ensure universal access to [EE] measures, and serve the needs of low-income communities."<sup>5</sup> The CEA also calls upon New Jersey's electric and gas public utilities to increase the delivery of EE and PDR programs to customers via the reduction of electricity and natural gas usage in their respective territories.<sup>6</sup>

Also, on May 23, 2018, Governor Murphy issued Executive Order 28 ("EO 28"), which mandated the development of a new Energy Master Plan ("EMP") to "provide a comprehensive blueprint for the total conversion of the state's energy production profile to 100% clean energy sources on or before January 1, 2050," by providing "specific proposals to be implemented over the next ten (10) years."<sup>7</sup>

By Order dated September 23, 2020, the Board, approved PSE&G's proposed electric and gas CIPs to account for lost revenue resulting from the potential decrease in customer energy usage as a result of the Company's EE programs and required the Company to annually file a petition to update its ECIP rates.<sup>8</sup> Additionally, by the CEF-EE Order, the Board approved a stipulation by which the Company agreed, in part, that recovery of non-weather-related gas and electric CIP impacts is subject to a Variable Margin Test which limits recovery to an amount equal to 6.5% of variable margins for the CIP accrual year.

## **Petition**

By the Petition, in accordance with the CEF-EE Order, PSE&G seeks Board approval for an ECIP rate adjustment related to changes in average revenue compared to a per-customer baseline.<sup>9</sup> By the ECIP Petition, the Company indicated that its total ECIP deferral balance is \$144,213,983.

---

<sup>3</sup> N.J.S.A. 48:3-98.1(b).

<sup>4</sup> N.J.S.A. 48:3-60.

<sup>5</sup> N.J.S.A. 48:3-87(g).

<sup>6</sup> N.J.S.A. 48:3-87.9.

<sup>7</sup> Exec. Order No. 28 (May 23, 2018).

<sup>8</sup> In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future-Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18121113, Order dated September 23, 2020 ("CEF-EE Order").

<sup>9</sup> The electric baseline per customer is determined via the billing determinants from the Company's Energy Strong II rate adjustment approved on April 26, 2023 for new rates effective May 1, 2023 in Docket Nos. ER22110669 and GR22110670 for the months of June 1, 2023 through October 31, 2023 and the Energy Strong II rate adjustment approved on October 25, 2023 for new rates effective November 1, 2023 in Docket No. ER23050273 for November 1, 2023 forward.

In accordance with the Variable Margin Test, the Company's recovery is limited to \$71,941,223. The remaining \$72,272,760 would be deferred to future ECIP recovery.

<b>February 2024 - ECIP Balances</b>	<b>Total</b>
<i>Total ECIP Deferral</i>	\$144,213,983
Recoverable ECIP Non-Weather	\$66,283,930
ECIP Weather	(\$1,175,275)
Prior Period (Over) / Under Recovery	\$6,832,567
<b><u>ECIP (Refund) / Charge</u></b>	<b>\$71,941,223</b>
ECIP Carry-Forward	\$72,272,760

By the Petition, the Company included the following proposed ECIP rates along with their associated customer classes:

		<b>ECIP Rates Without SUT</b>	<b>ECIP Rates With SUT</b>	
<b>Group I</b>	RS&RHS	\$0.001450	\$0.001546	Per kilowatt-hour
<b>Group Ia</b>	RLM	\$0.002269	\$0.002419	Per kilowatt-hour
<b>Group II</b>	GLP	\$0.9356	\$0.9976	Per kilowatt of monthly peak demand
<b>Group III</b>	LPL-S	\$1.1184	\$1.1925	Per kilowatt of monthly peak demand

Following publication of notice in newspapers of general circulation within PSE&G's service territory and service of notice upon affected municipalities and counties within the Company's service area, two (2) virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on April 11, 2024. One (1) member of the public attended, but did not comment. Additionally, the Board has received no written comments in this matter.

**PROVISIONAL STIPULATION**

Following a review of the Petition, the Parties executed the Provisional Stipulation, which provides for the following:<sup>10</sup>

1. Additional time is needed to update the ECIP filing for the full recovery period June 1, 2023 through May 31, 2024 and for the Company to update its earnings test through March 2024. The Company proposes to provide this update by no later than July 31, 2024. Accordingly, the Parties agree that the Company will implement provisional ECIP rates to recover \$71,941,223.

<sup>10</sup> Although summarized in this Order, should there be any conflict between this summary and the Provisional Stipulation, the terms of the Provisional Stipulation control, subject to the findings and conclusions herein. Paragraphs are lettered and/or numbered to coincide with the Provisional Stipulation.

2. The Company shall implement the provisional ECIP rates set forth in Schedule SS-ECIP-2, attached to the Provisional Stipulation as Exhibit A. Tariff sheets showing the agreed upon ECIP rates are attached to the Provisional Stipulation as Exhibit B.
3. Under the Company's updated proposal, 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 \$127.67 to \$128.40, or \$0.73 or approximately 0.57%.

### **DISCUSSION AND FINDINGS**

Having reviewed the record to date in this matter, including the Petition and the Provisional Stipulation, the Board **HEREBY FINDS** the Provisional Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the attached Provisional Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY AUTHORIZES** PSE&G to implement provisional ECIP rates, subject to refund, as reflected in the Provisional Stipulation for rates effective August 1, 2024.

As a result of the Provisional Stipulation, a typical residential 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 \$127.67 to \$128.40, or \$0.73 or approximately 0.57%.

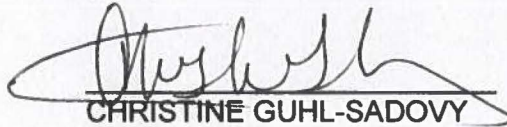
Accordingly, the Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Provisional Stipulation on or before August 1, 2024.


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

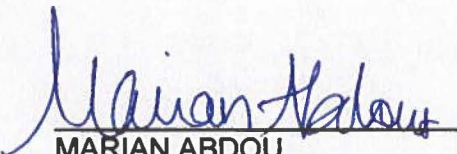
This Board Order shall be effective on July 31, 2024.

DATED: July 24, 2024

BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON CHRISTODOLOU  
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 CONSERVATION INCENTIVE PROGRAM  
(2024 PSE&G ELECTRIC CIP RATE FILING)

DOCKET NO. ER24020073

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](mailto:joseph.accardojr@pseg.com)

Danielle Lopez, Esq.  
[danielle.lopez@pseg.com](mailto:danielle.lopez@pseg.com)

Caitlyn White  
[caitlyn.white@pseg.com](mailto:caitlyn.white@pseg.com)

Bernard Smalls  
[bernard.smalls@pseg.com](mailto:bernard.smalls@pseg.com)

Maria Barling  
[maria.barling@pseg.com](mailto:maria.barling@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](mailto:pamela.owen@law.njoag.gov)

Matko Ilic, DAG  
[matko.ilic@law.njoag.gov](mailto:matko.ilic@law.njoag.gov)

Steven Chaplar, DAG  
[steven.chaplar@law.njoag.gov](mailto:steven.chaplar@law.njoag.gov)

**Board of Public Utilities**

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

Sherri Golden, Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Division of Revenue and Rates

Andrew Tuzzo  
[andrew.tuzzo@bpu.nj.gov](mailto:andrew.tuzzo@bpu.nj.gov)

Counsel's Office

Carol Artale, Deputy General Counsel  
[carol.artale@bpu.nj.gov](mailto:carol.artale@bpu.nj.gov)

Michael Hunter, Legal Specialist  
[michael.hunter@bpu.nj.gov](mailto:michael.hunter@bpu.nj.gov)

**New Jersey Division of Rate Counsel**

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

Brian O. Lipman, Esq., Director  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Maura Caroselli, Esq., Managing Attorney  
[mcaroselli@rpa.nj.gov](mailto:mcaroselli@rpa.nj.gov)

Mamie W. Purnell, Esq.  
[mpurnell@rpa.nj.gov](mailto:mpurnell@rpa.nj.gov)

Carlena Morrison, Paralegal  
[cmorrison@rpa.nj.gov](mailto:cmorrison@rpa.nj.gov)

Danielle Lopez  
Managing Counsel – State Regulatory

Law Department  
80 Park Plaza, T10, Newark, New Jersey 07102-4194  
(Tel.) 973-430-6996  
Email: Danielle.Lopez@pseg.com



July 10, 2024

In the Matter of the Petition of  
Public Service Electric and Gas Company  
for Approval of Changes to its Electric Conservation  
Incentive Program  
(2024 PSE&G Electric CIP Rate Filing)

BPU Docket No. ER24020073

***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.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written over a light blue circular stamp.

Danielle Lopez

cc: Attached service list

Public Service Electric and Gas Company  
ECIP - 2024  
ER24020073

Page 1 of 2

**BPU**

Carol Artale  
Board of Public Utilities  
44 South Clinton Avenue  
9th Floor  
Trenton NJ 08625-0350  
carol.artale@bpu.nj.gov

**BPU**

Benjamin S. Hunter  
Board of Public Utilities  
44 South Clinton Avenue  
9th Floor  
P.O. Box 350  
Trenton NJ 08625-0350  
benjamin.hunter@bpu.nj.gov

**BPU**

Andrew Tuzzo  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton NJ 08625  
andrew.tuzzo@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**

June Barnett  
PSEG Services Corporation  
80 Park Plaza, T5  
P.O. Box 570  
Newark NJ 07102  
(973) 430-8912  
june.barnett@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**

Kurt Lewandowski Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
klewando@rpa.state.nj.us

**BPU**

Charles Gurkas  
Board of Public Utilities  
44 South Clinton Avenue, 1st Floor  
Trenton NJ 08625  
charles.gurkas@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

**BPU**

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

**PSE&G**

Joseph F. Accardo, Jr.  
PSEG Services Corporation  
80 Park Plaza, T10  
P.O. Box 570  
Newark NJ 07102  
(973) 430-5811  
joseph.accardojr@pseg.com

**PSE&G**

Danielle Lopez Esq.  
Public Services Corporation  
80 Park Plaza, T10  
P.O. Box 570  
Newark NJ 07102  
973-430-6479  
danielle.lopez@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**

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

**BPU**

Mahogany A. Hall  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton NJ 08625-0350  
mahogany.hall@bpu.nj.gov

**BPU**

Stacy Peterson  
Board of Public Utilities  
44 South Clinton Avenue  
9th Floor  
P.O. Box 350  
Trenton NJ 08625-0350  
(609) 292-4517  
stacy.peterson@bpu.nj.gov

**DAG**

Michael Beck  
NJ Dept. of Law and Public Safety  
25 Market Street  
P.O. Box 112  
Trenton NJ 08625  
michael.beck@law.njoag.gov

**PSE&G**

Maria Barling  
PSEG Services Corporation  
80 Park Plaza, T-10  
P.O. Box 570  
Newark NJ 07102  
maria.barling@pseg.com

**PSE&G**

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

Carlena Morrison  
New Jersey Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton New Jersey 08625  
cmorrison@rpa.nj.gov



**Rate Counsel**

Mamie Purnell  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
Trenton NJ 08625  
mpurnell@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.nj.gov

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

**IN THE MATTER OF THE PETITION OF            )**  
**PUBLIC SERVICE ELECTRIC AND GAS            )**  
**COMPANY FOR APPROVAL OF CHANGES        )**  
**IN ITS ELECTRIC CONSERVATION                )**  
**INCENTIVE PROGRAM (2024 PSE&G            ) BPU DOCKET NO. ER24020073**  
**ELECTRIC CIP RATE FILING)                    )**

**STIPULATION AND AGREEMENT FOR PROVISIONAL RATES**

**APPEARANCES:**

**Danielle Lopez, Esq.**, Associate Counsel—Regulatory General, for the Petitioner, Public Service Electric and Gas Company.

**Maura Caroselli, Esq.**, Managing Attorney – Gas and **Mamie W. Purnell, Esq.**, Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, 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**

By Order dated September 23, 2020, the New Jersey Board of Public Utilities (“Board” or “BPU”) approved a stipulation which, among other things, authorized PSE&G to implement a Conservation Incentive Program (“CIP”) whereby Public Service Electric & Gas Company (“PSE&G” or “Company”) could account for potential lost sales revenue resulting from the implementation of energy efficiency measures and associated potential decreases in customer energy usage (“CEF-EE Stipulation”).<sup>1</sup> Paragraph 39 of the CEF-EE Stipulation authorizes the Company to make an electric CIP (“ECIP”) cost recovery filing by February 1, 2022, for new rates effective June 1, 2022, with adjustments to be made annually thereafter. The CEF-EE Stipulation

---

<sup>1</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Its Clean Energy Future-Energy Efficiency Program on a Regulated Basis, BPU Docket Nos. EO18101113 and GO18101112, Order dated September 23, 2020 (“CEF-EE Order”).

further provided that the recovery of lost revenues, if any, would be made via a CIP based on the methodology set forth therein as detailed in Attachments 5 and 6E to the CEF-EE Stipulation.

For the Company's ECIP, baseline revenue per customer is derived from the billing determinants utilized in PSE&G's 2018 base rate case and the latest variable margin rates per rate schedule, including any Infrastructure Investment Program ("IIP") rate adjustments. The baseline usage and margin rates are updated with each subsequent base rate case or IIP rate adjustment. To determine recovery eligibility for CIP accruals, the margin impact of changes in customer usage is segregated into "non-weather-related" and "weather-related" components.

The non-weather-related component is calculated by deducting the weather-related component from the total CIP accrual. Gas weather-related impact is calculated in the manner used for the Company's existing Weather Normalization Charge. The ECIP weather-related impact is calculated in a manner consistent with the methodology used for gas. PSE&G will establish sales coefficients based upon twenty (20) years of weather history of sales for residential customers only. Weather will be accounted for by assessing impacts on sales and associated distribution revenue from heating degree days ("HDD") for winter weather and the temperature humidity index ("THI") for summer weather. The twenty (20)- year HDD and THI averages are considered "normal" for the purposes of this assessment. The difference in actual and normal HDD and THI, multiplied by the sales coefficients, comprises the sales impacts. To derive the revenue impact, the Company then multiplies sales impacts by the current tariff rates. CEF-EE Stipulation, Schedule 4, Attachment 6E. Recovery of non-weather-related ECIP impacts shall be subject to the application of two (2) eligibility tests: a Basic Generation Service ("BGS") Savings Test and a Variable Margin Test.

The dual cost recovery tests work together to limit the total non-weather-related recoverable amount to the smaller of the two (2) recoverable amounts allowed under the separate BGS Savings Test and Variable Margin Test for Electric. Any amount exceeding the lesser of the BGS Savings Test and Variable Margin Test may be deferred for future recovery subject to the earnings test described below. By the CEF-EE Stipulation, the Company agreed not to seek recovery of interest on any deferred carry-forward amount.

The Company also agreed to include an earnings test for both the weather-related and non-weather-related components of the CIP. Under the earnings test, the Company's actual Return on Equity ("ROE") is determined based upon the actual jurisdictional net income of the utility for the most recent twelve (12)-month period, divided by the average of the beginning and ending common equity balances related to jurisdictional activity for the corresponding period, as specified in the Company's electric and gas tariffs. If the calculated ROE exceeds the allowed ROE from the utility's last base rate case by fifty (50) basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period and shall not be carried over to subsequent filing periods.

To implement initiatives furthering customer conservation efforts, the Company provides funding in the amount of \$3.3 million per year ("Shareholder Contribution") so long as the CIP remains in place, commencing with the start of the CIP deferrals. Fifty-five percent (55%) of Shareholder Contribution expenditures will be allocated to electric distribution (approximately \$1.8 million) and forty-five (45%) to gas distribution (approximately \$1.5 million). Any under-spend in a year will be factored into the following year's spending amount. The Shareholder Contribution will not be included in customer rates and will support initiatives to aid customers by

reducing their costs of natural gas and electricity, and to reduce peak demand. The parties to the CEF-EE Stipulation further agreed that PSE&G's first ECIP cost recovery filing would be based upon an initial deferral period of June 1, 2021 through May 31, 2022, and that the Company would not record any ECIP deferral prior to June 1, 2021. The Company would then adjust the ECIP annually thereafter via filings with the Board. The filings would document actual results, perform the required ECIP collection test described in more detail hereinafter, and propose new ECIP rates. Any variances from the annual filing will be trued-up in the subsequent year.

The CIP margin deficiency to be collected from customers, or the margin excess to be refunded to customers, is calculated each month by applicable rate schedule by subtracting the baseline revenue per customer from the actual revenue per customer and multiplying the resulting revenue per customer by the actual number of customers for the month.

### **FEBRUARY 2024 PETITION**

On February 1, 2024, PSE&G filed a petition with the Board requesting a rate adjustment related to changes in the average revenue per customer compared to a baseline revenue per customer, pursuant to N.J.S.A. 48:2-21 and the Company's Clean Energy Future-Energy Efficiency Program ("CEF-EE") ("February 2024 Petition").

By the February 2024 Petition, PSE&G identified that it forecasted the total ECIP deferral to be \$144,213,983. The Company further noted that the deferral balance includes \$100,546,357 of non-weather-related margin deficiencies, partially offset by \$1,175,275 of weather-related refunds to residential customers; \$42,672,344 in deferred margin recovery from the prior ECIP period, comprised of a non-weather carry-forward balance of \$38,010,333 and an under-recovery

of \$4,662,011 as a result of not updating provisionally approved rates; and an under-collection of the approved prior ECIP balance of \$2,170,557.

According to PSE&G, it did not forecast that application of the Variable Margin Test and the BGSS Savings Test would result in any limitation in the recovery of the non-weather-related component. The Company also forecasted that it would pass the Earnings Test for recovery of the weather-related and non-weather-related components.

Notice of the Company's February 2024 Petition, including the date, time and details for virtual public hearings, was placed in newspapers having a circulation within the Company's service territory, 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 service territory. Virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on April 11, 2024. No members of the public appeared or provided comments at the public hearings and the Board received no written comments in this matter.

### **STIPULATED TERMS**

Following review of the February 2024 Petition, Board Staff, the New Jersey Division of Rate Counsel ("Rate Counsel"), and PSE&G (collectively, "Parties") now HEREBY STIPULATE AND AGREE as follows:

1. Additional time is needed to update the ECIP filing for the full recovery period June 1, 2023 through May 31, 2024 and for the Company to update its earnings test through March 2024. The Company proposes to provide this update by no later than July 31, 2024. Accordingly, the Parties agree that the Company will implement provisional ECIP rates to recover \$71,941,223.

2. The Company shall implement the provisional ECIP rates set forth in Schedule SS-ECIP-2, attached hereto as Exhibit A. Tariff sheets showing the agreed upon ECIP rates are included as Exhibit B.

3. Under the Company's updated proposal, 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 \$127.67 to \$128.40, or \$0.73 or approximately 0.57% , based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing ("BGS-RSCP") charges in effect June 1, 2024, and assuming the customer receives BGS-RSCP service from PSE&G.

4. 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.

5. If 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. This Stipulation is binding for all purposes herein.

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 these proceedings. 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.

8. 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.

9. Lastly, the Parties 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 of Public Utilities and recommend that the Board issue a Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.



**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

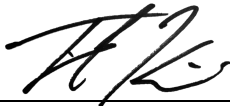


BY: \_\_\_\_\_

**Danielle Lopez, Esq.**  
**Associate Counsel, Regulatory**

DATED: July 23, 2024

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



BY: \_\_\_\_\_

**Terel Klein**  
**Deputy Attorney General**

DATED: July 23, 2024

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



BY: \_\_\_\_\_

**Maura Caroselli**  
**Deputy Rate Counsel**

DATED: July 23, 2024

**Exhibit A**  
**Schedule SS-ECIP-2**

**PUBLIC SERVICE ELECTRIC AND GAS  
CONSERVATION INCENTIVE PROGRAM  
CALCULATION OF ECIP RATES**

<b>Initial ECIP Deferral</b>		<b>RS &amp; RHS</b>	<b>RLM</b>	<b>GLP</b>	<b>LPLS</b>	<b>Total</b>	<b>Reference</b>
a	Actual CIP Carryforward Balance	\$7,750,180	\$188,013	\$16,175,485	\$13,896,656	\$38,010,333	Approved Board Order, Exhibit B
b	Actual vs Approved (Over) / Under recovery	\$4,303,775	\$31,033	(\$1,386,030)	\$1,713,233	\$4,662,011	b = c - a
c	Approved CIP Carry-Forward	\$12,053,955	\$219,046	\$14,789,455	\$15,609,888	\$42,672,344	Approved Board Order, Exhibit C
d	Final CIP Carry-Forward	\$12,197,973	\$228,201	\$15,704,230	\$16,712,497	\$44,842,900	Attachment A Schedules 1 through 3
e	<b>(Over) / Under Collection</b>	<b>\$144,018</b>	<b>\$9,155</b>	<b>\$914,775</b>	<b>\$1,102,609</b>	<b>\$2,170,557</b>	e = b + d
(1)	CIP Carry-Forward	\$12,197,973	\$228,201	\$15,704,230	\$16,712,497	\$44,842,900	Attachment A Schedules 1 through 3
(2)	CIP Weather	(\$1,162,633)	(\$12,642)	\$0	\$0	(\$1,175,275)	Attachment A Schedule 4
(3)	CIP Non-Weather	\$24,393,202	\$560,558	\$37,488,657	\$38,103,941	\$100,546,357	Attachment A Schedule 5
(4)	<b>Total CIP Deferral</b>	<b>\$35,428,541</b>	<b>\$776,117</b>	<b>\$53,192,886</b>	<b>\$54,816,438</b>	<b>\$144,213,983</b>	(4) = (1) + (2) + (3)
(5)	CIP Non-Weather Collection	\$24,393,202	\$560,558	\$37,488,657	\$38,103,941	\$100,546,357	(5) = IF (4) < 0, 0, (3)
(6)	CIP Collection %	24.3%	0.6%	37.3%	37.9%	100.0%	
(7)	CIP Savings Test Recoverable Amount					<b>\$66,283,930</b>	Attachment A Schedule 5, Page 2
(8)	CIP Refunds					\$0	Row (4) RS & RHS
(9)	CIP Maximum Recoverable Amount					\$66,283,930	(9) = (7) - (8)
(10)	<b>Recoverable CIP Non-Weather</b>	<b>\$16,080,914</b>	<b>\$369,541</b>	<b>\$24,713,929</b>	<b>\$25,119,547</b>	<b>\$66,283,930</b>	(10) = (IF (4) < 0, (4)), ((6) * (9))
<b>Final ECIP Rate</b>		<b>RS&amp;RHS</b>	<b>RLM</b>	<b>GLP</b>	<b>LPLS</b>	<b>Total</b>	
(11)	Prior Period (Over) / Under Recovery	\$4,447,793	\$40,188	(\$471,255)	\$2,815,841	\$6,832,567	(b) + (e)
(12)	CIP Weather	(\$1,162,633)	(\$12,642)	\$0	\$0	(\$1,175,275)	(2)
(13)	Recoverable CIP Non-Weather	\$16,080,914	\$369,541	\$24,713,929	\$25,119,547	\$66,283,930	(10)
(14)	<b>CIP (Refund) / Charge</b>	<b>\$19,366,073</b>	<b>\$397,087</b>	<b>\$24,242,674</b>	<b>\$27,935,389</b>	<b>\$71,941,223</b>	(14) = (11) + (12) + (13)
(15)	CIP Carry-Forward	\$16,062,468	\$379,030	\$28,950,213	\$26,881,049	\$72,272,760	(15) = (4) - (14)
(16)	Projected Use (000) *	13,394,029	N/A	175,501	25,978	25,042	Attachment A Schedules 1 through 3
(17)	CIP Rate	0.001446	0.001446	0.002263	0.9332	1.1155	(17) = (14) / ((16) * 1000)
(18)	CIP Rate w/ Assessment	0.001450	0.001450	0.002269	0.9356	1.1184	(18) = (17) * (1 / (1 - (0.21% + 0.05%)))
(19)	CIP Rate w/SUT	0.001546	0.001546	0.002419	0.9976	1.1925	(19) = (18) * 1.06625

\* kWh (RS, RHS & RLM) and kW (GLP & LPLS)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 66

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

Superseding

XXX Revised Sheet No. 66

**CONSERVATION INCENTIVE PROGRAM**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RS, RHS, RLM, GLP, LPL-S**

	<b>Conservation Incentive Program</b>	<b>Conservation Incentive Program including SUT</b>	
RS & RHS	<del>\$0.0014509.00027</del> 4	<del>\$0.0015460.00028</del> 9	Per kilowatt-hour
RLM	<del>\$0.0022690.00096</del> 5	<del>\$0.0024190.00102</del> 9	Per kilowatt-hour
GLP	\$0.93564.2193	\$0.99764.3004	Per kilowatt of monthly peak demand
LPL-S	\$1.11844.0290	\$1.19254.0972	Per kilowatt of monthly peak demand

**Conservation Incentive Program**

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Program mechanism shall be determined as follows:

**I. DEFINITION OF TERMS AS USED HEREIN**

**1. Actual Number of Customers**

– the Actual Number of Customers (“ANC”) shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program (“CIP”) Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company’s books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

**2. Actual Revenue Per Customer**

– the Actual Revenue per Customer (“ARC”) shall be determined in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The ARC shall equal the aggregate actual booked variable margin revenue per applicable rate schedule for the month as recorded on the Company’s books divided by the Actual Number of Customers for the corresponding month. Actual revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges as well as any Infrastructure Investment Program revenues, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Zero Emission Certificate Recovery Charge, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Tax Adjustment Credit.

**3. Adjustment Period**

– shall be the year beginning immediately following the conclusion of the Annual Period.

**4. Annual Period**

– shall be the twelve consecutive months from June 1 of one calendar year through May 31 of the following calendar year.

**5. Average 13 Month Common Equity Balance**

– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

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:

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

**XXX Revised Sheet No. 66B**  
**Superseding**  
**XXX Revised Sheet No. 66B**

**CONSERVATION INCENTIVE PROGRAM**  
**(Continued)**

**12. Normal Calendar Month HDD and THI**

– the level of calendar month HDD and THI to which the weather portion of this CIP applies.

The normal calendar month HDD and THI will be based on the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station hourly observations at the Newark airport and will be updated annually. The base level of normal HDD and THI for the defined winter and summer period months for the ~~2023~~~~2022~~~~2024~~~~2023~~ Periods are set forth in the table below:

Month	Normal Heating Degree Days	Normal Temperature Humidity Index
January 202 <del>4</del> <del>3</del>	<del>1,006</del> <del>989</del>	
February 202 <del>4</del> <del>3</del>	<del>868</del> <del>838</del>	
March 202 <del>4</del> <del>3</del>	<del>683</del> <del>684</del>	
April 202 <del>4</del> <del>3</del>	<del>355</del> <del>354</del>	<del>150</del> <del>187</del>
May 202 <del>4</del> <del>3</del>	<del>123</del> <del>128</del>	<del>969</del> <del>931</del>
June 202 <del>3</del> <del>2</del>		<del>3,034</del> <del>3,043</del>
July 202 <del>3</del> <del>2</del>		<del>5,678</del> <del>5,624</del>
August 202 <del>3</del> <del>2</del>		<del>4,895</del> <del>4,861</del>
September 202 <del>3</del> <del>2</del>		<del>2,229</del> <del>2,237</del>
October 202 <del>3</del> <del>2</del>	<del>225</del> <del>228</del>	<del>392</del> <del>414</del>
November 202 <del>3</del> <del>2</del>	<del>516</del> <del>523</del>	
December 202 <del>3</del> <del>2</del>	<del>810</del> <del>816</del>	

**13. Winter Period**

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

**14. Summer Period**

– shall be the seven consecutive calendar months from April of one calendar year through October of the calendar year.

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:

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 66C**

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

**Superseding**

**XXX Revised Sheet No. 66C**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**15. Consumption Factors**

– the use per HDD and THI component by month used in forecasting sales for the applicable rate schedules. These factors will be updated annually. Consumption Factors for the ~~2023~~~~2022~~-~~2024~~~~2023~~ Winter Period for HDD and ~~2023~~~~2022~~ Summer Period for THI are set forth below and presented as kWh per degree day:

Month	Consumption Factors (kWh per HDD and THI)					
	RS		RHS		RLM	
	HDD	THI	HDD	THI	HDD	THI
January 2024 <del>3</del>	<del>499,559</del> <del>469,298</del>	<del>157,424</del> <del>150,909</del>	<del>10,585</del> <del>11,303</del>	<del>392</del> <del>409</del>	<del>5,785</del> <del>6,344</del>	<del>1,705</del> <del>1,577</del>
February 2024 <del>3</del>	<del>499,834</del> <del>469,294</del>	<del>157,510</del> <del>150,908</del>	<del>10,519</del> <del>11,258</del>	<del>390</del> <del>407</del>	<del>5,781</del> <del>6,286</del>	<del>1,704</del> <del>1,563</del>
March 2024 <del>3</del>	<del>500,110</del> <del>469,288</del>	<del>157,597</del> <del>150,906</del>	<del>10,453</del> <del>11,276</del>	<del>387</del> <del>408</del>	<del>5,776</del> <del>6,207</del>	<del>1,702</del> <del>1,543</del>
April 2024 <del>3</del>	<del>500,385</del> <del>469,533</del>	<del>157,684</del> <del>150,984</del>	<del>10,388</del> <del>11,219</del>	<del>385</del> <del>406</del>	<del>5,772</del> <del>6,200</del>	<del>1,701</del> <del>1,544</del>
May 2024 <del>3</del>	<del>500,661</del> <del>469,777</del>	<del>157,771</del> <del>151,063</del>	<del>10,322</del> <del>11,163</del>	<del>382</del> <del>404</del>	<del>5,768</del> <del>6,193</del>	<del>1,700</del> <del>1,540</del>
June 2023 <del>2</del>	<del>491,345</del> <del>463,870</del>	<del>154,835</del> <del>149,164</del>	<del>11,077</del> <del>11,707</del>	<del>410</del> <del>423</del>	<del>5,547</del> <del>6,344</del>	<del>1,635</del> <del>1,577</del>
July 2023 <del>2</del>	<del>492,413</del> <del>461,601</del>	<del>155,172</del> <del>148,434</del>	<del>11,127</del> <del>11,568</del>	<del>412</del> <del>418</del>	<del>5,189</del> <del>6,287</del>	<del>1,529</del> <del>1,563</del>
August 2023 <del>2</del>	<del>493,412</del> <del>460,471</del>	<del>155,487</del> <del>148,070</del>	<del>11,057</del> <del>11,545</del>	<del>410</del> <del>418</del>	<del>6,912</del> <del>6,588</del>	<del>2,037</del> <del>1,638</del>
September 2023 <del>2</del>	<del>491,384</del> <del>461,466</del>	<del>154,848</del> <del>148,390</del>	<del>11,048</del> <del>11,469</del>	<del>409</del> <del>415</del>	<del>5,844</del> <del>6,064</del>	<del>1,723</del> <del>1,507</del>
October 2023 <del>2</del>	<del>491,727</del> <del>460,832</del>	<del>154,956</del> <del>148,186</del>	<del>10,995</del> <del>11,445</del>	<del>407</del> <del>414</del>	<del>5,147</del> <del>6,172</del>	<del>1,517</del> <del>1,534</del>
November 2023 <del>2</del>	<del>493,005</del> <del>461,133</del>	<del>155,358</del> <del>148,283</del>	<del>11,026</del> <del>11,350</del>	<del>408</del> <del>410</del>	<del>6,487</del> <del>6,412</del>	<del>1,912</del> <del>1,504</del>
December 2023 <del>2</del>	<del>495,295</del> <del>462,271</del>	<del>156,080</del> <del>148,649</del>	<del>10,961</del> <del>11,347</del>	<del>406</del> <del>410</del>	<del>5,636</del> <del>6,289</del>	<del>1,661</del> <del>1,563</del>

**II. BASELINE REVENUE PER CUSTOMER**

– the BRC for each Customer Class Group by month are as follows:

Month	RS & RHS	RLM	GLP	LPL-S
Jun	<del>\$34,193</del> <del>2,30</del>	<del>\$92,549</del> <del>0,17</del>	<del>\$131,061</del> <del>30,32</del>	<del>\$2,712,372,691</del> <del>79</del>
Jul	<del>41,733</del> <del>9,76</del>	<del>104,804</del> <del>02,12</del>	<del>151,081</del> <del>50,23</del>	<del>3,973,813,943</del> <del>65</del>
Aug	<del>38,613</del> <del>6,78</del>	<del>98,369</del> <del>5,84</del>	<del>146,231</del> <del>45,41</del>	<del>4,011,763,981</del> <del>31</del>
Sep	<del>22,782</del> <del>2,10</del>	<del>44,944</del> <del>3,79</del>	<del>91,319</del> <del>0,80</del>	<del>2,253,442,236</del> <del>34</del>
Oct	<del>13,804</del> <del>3,79</del>	<del>17,774</del> <del>7,31</del>	<del>54,975</del> <del>4,66</del>	<del>1,636,341,623</del> <del>92</del>
Nov	14.98	<del>16,544</del> <del>5,85</del>	<del>49,194</del> <del>8,76</del>	<del>1,021,021,008</del> <del>96</del>
Dec	18.58	<del>21,302</del> <del>0,42</del>	<del>49,114</del> <del>8,68</del>	<del>874,238</del> <del>63,90</del>
Jan	20.61	<del>23,192</del> <del>2,23</del>	<del>52,595</del> <del>2,13</del>	<del>937,289</del> <del>26,21</del>
Feb	<del>17,074</del> <del>7,06</del>	<del>20,204</del> <del>9,36</del>	<del>50,214</del> <del>9,77</del>	<del>939,759</del> <del>28,65</del>
Mar	<del>16,404</del> <del>6,39</del>	<del>19,374</del> <del>8,57</del>	<del>50,274</del> <del>9,83</del>	<del>941,289</del> <del>30,16</del>
Apr	13.98	<del>15,314</del> <del>4,68</del>	<del>49,804</del> <del>9,36</del>	<del>896,798</del> <del>86,19</del>
May	15.43	<del>19,754</del> <del>8,93</del>	<del>88,638</del> <del>7,85</del>	<del>1,742,251,721</del> <del>67</del>
<b>Total Annual</b>	<del>\$268,162</del> <del>61,75</del>	<del>\$494,074</del> <del>79,26</del>	<del>\$964,469</del> <del>67,80</del>	<del>\$21,940,332</del> <del>1,742,74</del>

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:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 66

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

Superseding

XXX Revised Sheet No. 66

**CONSERVATION INCENTIVE PROGRAM**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RS, RHS, RLM, GLP, LPL-S**

	<b>Conservation Incentive Program</b>	<b>Conservation Incentive Program including SUT</b>	
RS & RHS	\$0.001450	\$0.001546	Per kilowatt-hour
RLM	\$0.002269	\$0.002419	Per kilowatt-hour
GLP	\$0.9356	\$0.9976	Per kilowatt of monthly peak demand
LPL-S	\$1.1184	\$1.1925	Per kilowatt of monthly peak demand

**Conservation Incentive Program**

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Program mechanism shall be determined as follows:

**I. DEFINITION OF TERMS AS USED HEREIN**

**1. Actual Number of Customers**

– the Actual Number of Customers (“ANC”) shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program (“CIP”) Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company’s books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

**2. Actual Revenue Per Customer**

– the Actual Revenue per Customer (“ARC”) shall be determined in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The ARC shall equal the aggregate actual booked variable margin revenue per applicable rate schedule for the month as recorded on the Company’s books divided by the Actual Number of Customers for the corresponding month. Actual revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges as well as any Infrastructure Investment Program revenues, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Zero Emission Certificate Recovery Charge, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Tax Adjustment Credit.

**3. Adjustment Period**

– shall be the year beginning immediately following the conclusion of the Annual Period.

**4. Annual Period**

– shall be the twelve consecutive months from June 1 of one calendar year through May 31 of the following calendar year.

**5. Average 13 Month Common Equity Balance**

– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

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:

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

**XXX Revised Sheet No. 66B**  
**Superseding**  
**XXX Revised Sheet No. 66B**

**CONSERVATION INCENTIVE PROGRAM**  
**(Continued)**

**12. Normal Calendar Month HDD and THI**

– the level of calendar month HDD and THI to which the weather portion of this CIP applies.

The normal calendar month HDD and THI will be based on the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station hourly observations at the Newark airport and will be updated annually. The base level of normal HDD and THI for the defined winter and summer period months for the 2023-2024 Periods are set forth in the table below:

<b>Month</b>	<b>Normal Heating Degree Days</b>	<b>Normal Temperature Humidity Index</b>
January 2024	1,006	
February 2024	868	
March 2024	683	
April 2024	355	150
May 2024	123	969
June 2023		3,034
July 2023		5,678
August 2023		4,895
September 2023		2,229
October 2023	225	392
November 2023	516	
December 2023	810	

**13. Winter Period**

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

**14. Summer Period**

– shall be the seven consecutive calendar months from April of one calendar year through October of the calendar year.

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:

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 66C**

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

**Superseding  
XXX Revised Sheet No. 66C**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**15. Consumption Factors**

– the use per HDD and THI component by month used in forecasting sales for the applicable rate schedules. These factors will be updated annually. Consumption Factors for the 2023-2024 Winter Period for HDD and 2023 Summer Period for THI are set forth below and presented as kWh per degree day:

Month	Consumption Factors (kWh per HDD and THI)					
	RS		RHS		RLM	
	HDD	THI	HDD	THI	HDD	THI
January 2024	499,559	157,424	10,585	392	5,785	1,705
February 2024	499,834	157,510	10,519	390	5,781	1,704
March 2024	500,110	157,597	10,453	387	5,776	1,702
April 2024	500,385	157,684	10,388	385	5,772	1,701
May 2024	500,661	157,771	10,322	382	5,768	1,700
June 2023	491,345	154,835	11,077	410	5,547	1,635
July 2023	492,413	155,172	11,127	412	5,189	1,529
August 2023	493,412	155,487	11,057	410	6,912	2,037
September 2023	491,384	154,848	11,048	409	5,844	1,723
October 2023	491,727	154,956	10,995	407	5,147	1,517
November 2023	493,005	155,358	11,026	408	6,487	1,912
December 2023	495,295	156,080	10,961	406	5,636	1,661

**II. BASELINE REVENUE PER CUSTOMER**

– the BRC for each Customer Class Group by month are as follows:

Month	RS & RHS	RLM	GLP	LPL-S
Jun	\$34.19	\$92.54	\$131.06	\$2,712.37
Jul	41.73	104.80	151.08	3,973.81
Aug	38.61	98.36	146.23	4,011.76
Sep	22.78	44.94	91.31	2,253.44
Oct	13.80	17.77	54.97	1,636.34
Nov	14.98	16.54	49.19	1,021.02
Dec	18.58	21.30	49.11	874.23
Jan	20.61	23.19	52.59	937.28
Feb	17.07	20.20	50.21	939.75
Mar	16.40	19.37	50.27	941.28
Apr	13.98	15.31	49.80	896.79
May	15.43	19.75	88.63	1,742.25
<b>Total Annual</b>	<b>\$268.16</b>	<b>\$494.07</b>	<b>\$964.46</b>	<b>\$21,940.33</b>

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: