



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)	DECISION AND ORDER
SERVICE ELECTRIC AND GAS COMPANY TO)	APPROVING STIPULATION
MODIFY ITS MANUFACTURED GAS PLANT (MGP))	
REMEDATION COMPONENT WITHIN ITS)	
ELECTRIC SOCIETAL BENEFITS CHARGE (SBC))	
AND ITS GAS SBC; DURING THE REMEDIATION)	
ADJUSTMENT CHARGE (RAC) 30 PERIOD,)	
AUGUST 1, 2021, TO JULY 31, 2022)	BPU DOCKET NO. GR23010050

Parties of Record:

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

BY THE BOARD:

On January 26, 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 Board approval to modify the Manufactured Gas Plant ("MGP") Remediation component within its Societal Benefits Charge ("SBC") to recover MGP costs incurred during the Remediation Adjustment Charge ("RAC") period August 1, 2021 through July 31, 2022 ("RAC 30 Period") ("Petition").¹ By this Decision and 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 Petition.

BACKGROUND

The RAC allows recovery of reasonably incurred MGP program costs, plus carrying charges by the Company, amortized over a seven (7) year rolling average period. The Company's MGP costs are allocated to gas and electric customers on a 60/40 percent basis. The RAC is a separate component of PSE&G's electric and gas SBC.

¹ PSE&G's MGP component is also referred to as the RAC rate.

PETITION

In the Petition, PSE&G requested approval of net RAC 30 Period expenditures of \$55,571,675, net of a deferred Natural Resource Damage (“NRD”) expense of \$7,311, insurance and other miscellaneous recoveries. PSE&G sought recovery of approximately \$44,058,737 for RAC 30 Period and, as a result of the allocation of MGP costs between electric and gas customers, the expenditures totaled approximately \$27,716,360 million from gas customers and \$16,342,377 million from electric customers.

RAC 30 Summary Schedule

Prior RAC Periods 24 – 29 – Actual Approved Expenditures	\$304,404,090
RAC 30 Period – Actual Expenditures	\$55,571,675
Annual Amortization of Prior RAC Period Costs (7 years)	\$43,486,299
Annual Amortization	\$7,939,811
RAC 24 to 30 Expenditures for Allocation between Gas & Electric	\$51,425,109
True-up of RAC 29 Expenditures with RAC Recoveries (GAS)	(\$6,913,917)
True-up of RAC 29 Expenditures with RAC Recoveries (ELEC)	(\$6,635,742)
Carrying Charges on Gas Deferred	\$3,775,211
Carrying Charges on Electric Deferred	\$2,407,074
Total RAC 30 Annual Recovery	\$44,058,737

The Company proposed to increase its existing per therm gas RAC rate of \$0.009333 to \$0.010474, including New Jersey Sales and Use Tax (“SUT”), resulting in an increase of approximately \$3.18 million to gas revenues. The Company proposed to decrease its current per kilowatt-hour (“kWh”) electric RAC rates from \$0.000533 to \$0.000445, including SUT, resulting in a decrease of approximately \$3.09 million to electric revenues.

After publication of notice in newspapers of general circulation in the Company’s service territory, public hearings were held virtually on April 4, 2023 at 4:30pm and 5:30pm. One (1) member of the public attended and commented on an unrelated PSE&G matter. No members of the public filed comments with the Board related to the Petition.

STIPULATION

Following the review of the Petition and discovery, the Parties executed the Stipulation, which provides for the following:²

1. The current gas RAC of \$0.008753/therm, excluding SUT, should be increased to \$0.009823/therm, excluding SUT. The current electric RAC of \$0.000471/kilowatt-hour, excluding SUT and line losses, should be reduced to \$0.000393/kilowatt-hour, excluding SUT and line losses. Tariff sheets consistent with the proposed rate changes are set forth in Exhibit B of the Stipulation in both redline and clean format.
2. The foregoing rates will allow recovery of 1/7 of the RAC 24 through RAC 30 expenditures. Under these rates, a typical residential electric customer using 683 kilowatt-hours per summer month, and 6,700 kilowatt-hours on an annual basis, would see a decrease in

² Although summarized herein, should there be any contradiction between the terms of this summary and the terms of the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and or/ numbered to coincide with the Stipulation.

their average monthly bill from \$134.28 to \$134.23, or \$0.05 or approximately 0.04% based upon current Delivery and Basic Generation Service – Residential Small Commercial Pricing (“BGS-RSCP”) supply rates in effect on December 1, 2024, and assuming that the customer receives BGS-RSCP service from PSE&G. A typical residential gas heating customer using 172 therms during a winter month, and 1,040 therms on an annual basis, would see an increase in their average monthly bill from \$98.70 to \$98.80, or \$0.10 or approximately 0.10% based upon current Delivery and Basic Gas Supply Service (“BGSS-RSG”) supply rates in effect on December 1, 2024, and assuming that the customer receives BGSS-RSG service from PSE&G. Attached as Exhibit C of the Stipulation is an updated version of Attachment E to the Petition updating the typical bill impacts to reflect rates as of December 1, 2024.

3. The Parties agree that the Company’s MGP remediation work performed during the RAC 30 period was prudent and reasonable.
4. The Company represents that the expenditures and rates agreed to in the attached Stipulation do not include any incentive compensation costs.
5. The Company represents that its Petition does not include any administrative, legal, consulting, or other costs associated with NRD claims. The Parties further agree that PSE&G will have deferred a total of \$787,563 NRD-related MGP costs inclusive of applicable interest through the RAC 30 Period. PSE&G agrees to defer the above-indicated NRD-related MGP costs until such future time as the Board specifically addresses the rate recoverability of NRD-related expenditures through the RAC mechanism. The Parties accordingly stipulate, agree, and request that the Board make no determination in this proceeding as to the reasonableness or the recoverability under the Company’s RAC of NRD-related costs. The Parties expressly reserve their rights to argue their respective positions on NRD issues in future proceedings, as appropriate.
6. The Company agrees, as in this and other recent RAC filings, that it will continue to include with its future RAC filings, responses to the minimum filing requirements (“MFRs”), attached to the Stipulation as Exhibit A. As part of the Stipulation, the parties have agreed to make changes to the applicable MFRs in future RAC filings. The Company is providing the MFRs to enable Staff and Rate Counsel to review the prudence of the Company’s remediation costs that the Company seeks to recover in that particular RAC filing and to understand the progress and plan for completing the remediation of each site, to the extent each such Exhibit A MFR requests information regarding the foregoing. Additionally, in future RAC filings, PSE&G shall not request any late fees or charges that are associated with legal costs recovered through the RAC.
7. The Company’s next filing with the Board seeking review and approval of the Company’s MGP remediation work associated with the clean-up of PSE&G’s former MGP sites shall include requests for recovery for the two RAC periods immediately following the RAC 30 period, namely: the “RAC 31” period of August 1, 2022 through July 31, 2023; and the “RAC 32” period of August 1, 2023 through July 31, 2024.

DISCUSSION AND FINDINGS

The Board reviewed the record in this proceeding, including the Petition and the Stipulation. The Board **HEREBY FINDS** that the Company's remediation work performed during the RAC 30 Period, is prudent. The Board **FURTHER FINDS** the Stipulation to be reasonable and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the 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. Any net over-recovery on the RAC balance at the end of the RAC year shall remain subject to refund with interest.

The Board **HEREBY FINDS** that it is reasonable to change the existing RAC rates, and therefore **HEREBY ORDERS** that the Company's existing gas and electric RAC rates be changed consistent with the proposed rate changes set forth in Exhibit B of the Stipulation, effective for service rendered on and after February 15, 2025.

As a result of the Stipulation, a typical residential gas heating customer using 172 therms in a winter month and 1,040 therms annually, would see a monthly increase in their bill of \$0.10 or 0.10%. For a typical residential electric customer using 683 kWh in a summer month and 6,700 kWh annually, would see a monthly decrease in their bill of \$0.05 or 0.04%.

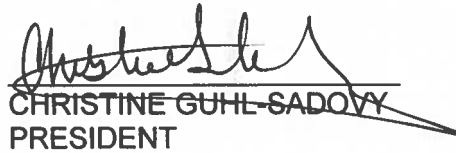
Accordingly, the Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation by February 15, 2025.

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

The effective date of this Order is February 5, 2025.

DATED: January 29, 2025

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRI L. LEWIS
BOARD 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 TO
MODIFY ITS MANUFACTURED GAS PLANT (MGP) REMEDIATION COMPONENT WITHIN ITS
ELECTRIC SOCIETAL BENEFITS CHARGE (SBC) AND ITS GAS SBC; DURING THE REMEDIATION
ADJUSTMENT CHARGE (RAC) 30 PERIOD, AUGUST 1, 2021, TO JULY 31, 2022

BPU DOCKET NO. GR23010050

SERVICE LIST

Board of Public Utilities

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The logo for PSEG Services Corporation, featuring a stylized orange sunburst icon to the left of the text "PSEG" in a bold, sans-serif font, with "Services Corporation" in a smaller, italicized font below it.

January 14, 2025

In The Matter Of The Petition Of
Public Service Electric And Gas Company
To Modify Its Manufactured Gas Plant (MGP) Remediation Component
Within Its Electric Societal Benefits Charge (SBC) And Its
Gas SBC; During The Remediation Adjustment Charge (RAC) 30
Period, August 1, 2021, to July 31, 2022

BPU Docket No. GR23010050

VIA ELECTRONIC MAIL

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


Dear Secretary Golden:

Attached please find the fully executed Stipulation in the above-referenced case 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 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 document is being filed electronically 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 black ink that reads "Aaron I. Karp". The signature is written in a cursive, slightly stylized font.

Aaron I. Karp

cc: Service List (via email)

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

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY TO MODIFY ITS MANUFACTURED GAS PLANT (MGP) REMEDATION COMPONENT WITHIN ITS ELECTRIC SOCIETAL BENEFITS CHARGE (SBC) AND ITS GAS SBC; DURING THE REMEDATION ADJUSTMENT CHARGE (RAC) 30 PERIOD, AUGUST 1, 2021 TO JULY 31, 2022	STIPULATION OF SETTLEMENT BPU DOCKET NO. GR23010050
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APPEARANCES:

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

Maura Caroselli, Esq., Managing Attorney - Gas and Clean Energy, **Brian Weeks, Esq.**, Deputy Rate Counsel, **Andrew H. Gold, Esq.** and **Mamie W. Purnell, Esq.**, Assistant Deputies Rate Counsel, 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)

On January 26, 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 review and approval of PSE&G’s Manufactured Gas Plant (“MGP”) remediation work associated with the clean-up of PSE&G’s former MGP sites performed during the Remediation Adjustment Charge (“RAC”) period, August 1, 2021 through July 31, 2022 (“RAC 30 Period”) (“Petition”). The Petition sought a finding that the RAC 30 Period costs were prudent and that the resulting RAC 30 costs are reasonable and appropriate for rate recovery.

The Petition sought authority to establish rates to recover the true-up of RAC 29 costs, 1/7 of each of the RAC 24 through RAC 30 expenditures, and the carrying costs on its unamortized remediation program balance. The Petition further sought an Order finding that “its

RAC activities conducted and Program Costs incurred during the RAC 30 Period, August 1, 2021 through July 31, 2022, are reasonable and are appropriate for recovery” and that such Order find that it is reasonable to increase the existing gas MGP Remediation component of the Societal Benefits Charge, and decrease the existing electric MGP remediation component of the Societal Benefits Charge (“SBC”). These components are historically referred to as the gas and electric RAC.

According to the Petition, the Company incurred gross expenditures of \$67,509,540 in remediation costs during the RAC 30 Period. This amount was reduced by insurance proceeds of \$5,000,000, adjusted by \$7,311 of adjusted Natural Resource Damage (“NRD”)-related interest costs incurred during the RAC 30, and reduced by miscellaneous recoveries of \$6,930,554, resulting in net expenditures of \$55,571,675 for the RAC 30 Period.¹

The RAC annual recovery mechanism includes carrying charges on the unamortized balance.²

The Petition provides RAC costs to gas and electric customers on a 60/40 percent basis pursuant to Board directives, and RAC costs are recovered over a rolling seven (7)-year period.³

Notice of the Company’s Petition, including the date, time, telephonic dial-in details, and virtual access details for 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. The two (2) public hearings were held

¹ See Petition at 1, Attachment A-3.

² See Petition at 1, Attachment A-2.

³ As noted in the September 15, 1993 NJ BPU Order in Docket No. ER91111698J.

at 4:30 p.m. and 5:30 p.m. on April 4, 2023.⁴ One (1) member of the public attended the public hearing but did not provide comments relevant to the Petition, and no members of the public filed written comments with the Board.

After reviewing and analyzing the Petition, conducting discovery, and reviewing responses to discovery, Board Staff (“Staff”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and PSE&G (collectively, “Parties”), stipulate and agree as follows:

1. The current gas RAC of \$0.008753/therm, excluding New Jersey Sales and Use Tax (“SUT”), should be increased to \$0.009823/therm, excluding SUT. The current electric RAC of \$0.000471/kilowatt-hour, excluding SUT and line losses, should be reduced to \$0.000393/kilowatt-hour, excluding SUT and line losses. Tariff sheets consistent with the proposed rate changes are set forth in Exhibit B in both redline and clean format.

2. The foregoing rates will allow recovery of 1/7 of the RAC 24 through RAC 30 expenditures. Under these rates, a typical residential electric customer using 683 kilowatt-hours per summer month, and 6,700 kilowatt-hours on an annual basis, would see a decrease in their average monthly bill from \$134.28 to \$134.23, or \$0.05 or approximately 0.04% based upon current Delivery and Basic Generation Service – Residential Small Commercial Pricing (“BGS-RSCP”) supply rates in effect on December 1, 2024, and assuming that the customer receives BGS-RSCP service from PSE&G. A typical residential gas heating customer using 172 therms during a winter month, and 1,040 therms on an annual basis, would see an increase in their average monthly bill from \$98.70 to \$98.80, or \$0.10 or approximately 0.10% based upon current Delivery and Basic Gas Supply Service (“BGSS-RSG”) supply rates in effect on December 1, 2024, and assuming that the customer receives BGSS-RSG service from PSE&G.

⁴ The public hearings were conducted virtually.

Attached as Exhibit C is an updated version of Attachment E to the Petition updating the typical bill impacts to reflect rates as of December 1, 2024.

3. The Parties agree that the Company's MGP remediation work performed during the RAC 30 period was prudent and reasonable.

4. The Company represents that the expenditures and rates agreed to in this Stipulation do not include any incentive compensation costs.

5. The Company represents that its Petition does not include any administrative, legal, consulting, or other costs associated with NRD claims. The Parties further agree that PSE&G will have deferred a total of \$787,563 NRD-related MGP costs inclusive of applicable interest through the RAC 30 Period. PSE&G agrees to defer the above-indicated NRD-related MGP costs until such future time as the Board specifically addresses the rate recoverability of NRD-related expenditures through the RAC mechanism. The Parties accordingly stipulate, agree, and request that the Board make no determination in this proceeding as to the reasonableness or the recoverability under the Company's RAC of NRD-related costs. The Parties expressly reserve their rights to argue their respective positions on NRD issues in future proceedings, as appropriate.

6. The Company agrees, as in this and other recent RAC filings, that it will continue to include with its future RAC filings, responses to the minimum filing requirements ("MFRs"), attached to this Stipulation as Exhibit A. As part of this stipulation, the parties have agreed to make changes to the applicable MFRs in future RAC filings. The Company is providing the MFRs to enable Staff and Rate Counsel to review the prudence of the Company's remediation costs that the Company seeks to recover in that particular RAC filing and to understand the progress and plan for completing the remediation of each site, to the extent each such Exhibit A

MFR requests information regarding the foregoing. Additionally, in future RAC filings, PSE&G shall not request any late fees or charges that are associated with legal costs recovered through the RAC.

7. The Company's next filing with the Board seeking review and approval of the Company's MGP remediation work associated with the clean-up of PSE&G's former MGP sites shall include requests for recovery for the two RAC periods immediately following the RAC 30 period, namely: the "RAC 31" period of August 1, 2022 through July 31, 2023; and the "RAC 32" period of August 1, 2023 through July 31, 2024.

8. The Parties agree that this Stipulation is being entered into exclusively for the purpose of resolving the issues in this matter. The Parties further agree that this Stipulation resolves all issues regarding the Company's Petition except as specifically provided herein.

9. The Parties agree that this Stipulation was negotiated and agreed to in its entirety with each section being mutually dependent on approval of all other sections. Therefore, if the Board modifies any of the terms of this Stipulation, each party is given the option, before implementation of any different rate or terms in this case, to accept the change or to resume the proceeding as if no agreement had been reached. If this proceeding is resumed, each party is given the right to return to the position it was in before this Stipulation was executed.

10. The Parties agree that the Company's MGP remediation costs will remain subject to audit by the Board. Additionally, the Company periodically conducts audits of these expenses, similar to its other expenses.

11. 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, the Parties shall not be deemed to have approved, agreed to, or

consented to any principle or methodology underlying or supposedly underlying 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. All rates remain subject to audit by the Board.

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 10, 2025

DATED: January 13, 2025

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

By: Mamie W. Purnell
Mamie W. Purnell, Esq.
Assistant Deputy Rate Counsel

DATED: January 14, 2025

EXHIBIT A

PSE&G RAC Minimum Filing Requirements

As part of the Company's annual RAC filing, the Company will provide responses to the following Minimum Filing Requirements ("MFRs"). The requests, unless noted otherwise, relate to the historical twelve (12)-month RAC period.

1. Identify all PSE&G manufactured gas plant sites for which PSE&G has requested or is requesting recovery pursuant to the Order of the New Jersey Board of Public Utilities dated September 15, 1993, in BPU Docket No. ER91111698J, OAL Docket No. PUC-11058-91 ("MGP Sites"). For each MGP Site, indicate if any remediation activity was either ongoing or pending during the RAC period that is the subject of this petition ("Active Sites"), or if remediation was not ongoing during the RAC period that is the subject of this petition ("Monitoring Sites").

2. The Company currently provides a vendor summary as part of its generic discovery responses to its annual RAC filing. This document provides a summary of the expenditures incurred by vendor by MGP Site for the twelve-month RAC period. Hereafter, the vendor summary will be supplemented with a general description of the services provided by each vendor. The data noting expenditures incurred through July 31 will be submitted with the Company's RAC petition.

3. At the request of the New Jersey Division of Rate Counsel or Board Staff, the Company will provide for each MGP Site in electronic format with formulae intact any and all technical reports or documents issued in the petition year. Technical documents will be produced in full including appendices, figures, and tables. Technical documents will also include but not be limited to data reports, work plans, subcontracts, assessment and determinations of technical impracticability, and bidding specifications.

EXHIBIT A

4. For each MGP Site, provide a copy of the latest work plan, remediation report, or major work product submitted to the the New Jersey Department of Environmental Protection (“NJDEP”), even if submitted before the current petition year. The copies should include the narrative portion of the report and all technical supporting work papers in electronic format with formulae intact (if available), charts, and tables, and appendices.

5. For each MGP Site, provide all correspondence between the Company and/or the Company’s Licensed Site Remediation Professionals (“LSRP”) and the NJDEP concerning submissions for the MGP Site, reply comments, and other major items which have a material impact on remediation activities and associated costs incurred by the Company. The correspondence should span the twelve (12) months preceding July 31st of the most recent RAC period.

6. For each MGP Site, provide expense documentation for any contractor or supplier whose invoices for the RAC period exceed \$250,000 in aggregate. The expense documentation should include descriptions of services rendered, applicable invoices, and any tracking of invoiced charges vs. budgets. The expense detail need not include expense reports or time sheets, but it should include supporting documentation for any subcontractor and third party expenses totaling \$100,000 or more for the period.

7. For each MGP Site, provide a narrative description and organization chart for that MGP Site, showing the vendors and project control structure for the remediation effort. The response should show what entities supervise all significant contractors and subcontractors and which Company personnel are involved in site and remediation supervision and control.

8. For any Active Site, provide a detailed, comprehensive narrative report describing Company activities and any reimbursements related to potentially responsible parties’ (“PRPs”)

EXHIBIT A

liabilities for that Active Site. The narrative, with supporting documentation, should cover the prior RAC period, and include the number of PRPs for each Active Site, their viability, contamination at each Active Site potentially caused by PRPs, and potential liability assessments. Provide reports on any related litigation pursued; if litigation was not pursued, provide an explanation. The Company will also provide a description of all efforts to search for additional PRPs and seek future reimbursements.

9. For each Active Site, provide a detailed, comprehensive narrative report describing Company activities and any reimbursements related to insurance claims for that Active Site. The report shall list all reimbursements received from each insurance company through the end of the year covered by the filing, but need not disclose any insurance company's identity. The narrative, with supporting documentation, should cover the prior RAC period, and include the number of claims or potential claims for each Active Site, their viability, and potential coverage assessments. Provide reports on claims pursued; if claims were not pursued, provide an explanation.

10. Provide copies of any RAC audit reports or related materials prepared by the Board's Audit Staff, the Federal Energy Regulatory Commission, or the Company's internal or external auditors during the previous twelve months. To the degree applicable, please also provide any materials prepared in response to the audits or in compliance with any audit findings.

11. Provide a narrative concerning all material events, whether related to NJDEP mandates or not, which could have an impact on the Company's ultimate MGP remediation liability, with claimed confidential information provided pursuant to a confidentiality agreement.

EXHIBIT A

The narrative should encompass all MGP Sites, whether or not active remediation efforts on the MGP Site are under way.

12. Provide schedules and supporting work papers and documents, which show the reconciliation of the prior period RAC expenditures and recoveries as well as the derivation of the deferred tax credit and the interest accrual on any unamortized balances.

13. Provide the Company's bid evaluation studies, reports, work papers or other material related to the two largest MGP remediation contracts awarded during the previous RAC period. The response should include the criteria utilized for bid evaluation and the comparisons between the terms and conditions offered by the competitive bidders.

14. Provide documentation relating to the two largest supplemental contract amendments authorized by the Company during the previous RAC period. The response should provide the contractor's request for supplemental funding, the reasons cited for the request, and the Company's evaluation and action taken concerning the request.

15. Provide documentation relating to any instances during the previous RAC period where the Company sought to modify, change, or eliminate the NJDEP site remediation requirements for any of its MGP Sites. The response should provide copies of any such Company requests, the NJDEP responses, and the ultimate outcome concerning the requests.

16. Provide a calculation of the carrying costs that the Company seeks to recover in this filing, including work papers and supporting documentation.

17. The Company currently provides a schedule that summarizes the expenditures incurred by major cost category by MGP Site on a quarterly basis. These data will be reported with its annual filing.

EXHIBIT A

18. For each of the Company's MGP Sites, provide a schedule showing the status of the remediation effort; a narrative historical description of remediation efforts since their inception; and estimated dates for the completion of remaining milestones, along with a discussion of major remediation problems. Provide an estimated cost and timeframe to achieve closure for each MGP Site, showing any changes from the previous RAC filing, and provide explanations of any changes in the costs and timeframes for each MGP Site as compared to the previous RAC filing. Estimated costs and timeframe to achieve closure for each MGP Site should also report total funds and time spent to date, and approximate the percentage of work completed.

19. Provide an update concerning the status of discussions with the NJDEP concerning its NRD initiative as well as any other NRD-related activities, with claimed confidential information provided pursuant to a confidentiality agreement. Such update will include information about NRD-related expenditures during the prior RAC period and related documentation, as well as total NRD-related expenses deferred to date.

20. Provide information about unexpected delays in remediation efforts caused by the inability to obtain requisite approvals, clearances or other rights from the NJDEP, local authorities or property owners, or other circumstances that are unduly impeding remediation efforts. The Company will address issues that are outside of the ordinary experience for these matters.

21. The Company shall disclose all internal control deficiencies, significant deficiencies, or material weaknesses that are identified by the Sarbanes Oxley review process or by company internal control procedures that are related to RAC expenditures or cost recoveries during the applicable RAC period under review or the immediate prior RAC period. In addition,

EXHIBIT A

the Company will provide identification of remedial steps taken by management to correct such deficiencies, significant deficiencies, or material weaknesses; and the summarization of additions, deletions, or amendments to the company's Site Remediation Project Directives during the applicable RAC period under review. The Company may seek confidential treatment of materials prior to submitting the portion of such materials it considers confidential under applicable standards.

22. Provide all legal bills sought to be paid by ratepayers. Said bills shall include the descriptions provided with such bills. The Company may seek confidential treatment of materials prior to submitting the portion of such materials it considers confidential under applicable standards. Material in legal bills that are legally privileged may be excluded from the filing, which parties may seek under the applicable standard for any claimed privilege.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 17 ELECTRIC

XXX Revised Sheet No. 57

**Superseding
Original Sheet No. 57**

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatt-hour)**

Component:

Social Programs	\$ 0.002718
Energy Efficiency and Renewable Energy Programs	0.002941
Manufactured Gas Plant Remediation	<u>0.000393</u> 0.000471
Sub-total per kilowatt-hour	<u>\$ 0.006052</u> 0.006430

Charge including losses, USF and Lifeline:

	<u>Loss Factor</u>	<u>Sub-total Including Losses</u>	<u>USF</u>	<u>Lifeline</u>	<u>Total Charge</u>
Secondary Service	5.8327%	<u>\$ 0.006427</u> \$ 0.006510	\$ 0.002075	\$ 0.000710	<u>\$ 0.009212</u> \$ 0.009295
LPL Primary	3.3153%	<u>0.006260</u> 0.006340	0.002075	0.000710	<u>0.009045</u> 0.009125
HTS Subtransmission	2.0472%	<u>0.006178</u> 0.006258	0.002075	0.000710	<u>0.008963</u> 0.009043
HTS High Voltage & HTS Transmission	0.8605%	<u>0.006105</u> 0.006183	0.002075	0.000710	<u>0.008890</u> 0.008968

Charges including New Jersey Sales and Use Tax (SUT):

Secondary Service	<u>\$0.009822</u> \$0.009911
LPL Primary	<u>0.009644</u> 0.009730
HTS Subtransmission	<u>0.009557</u> 0.009642
HTS High Voltage & HTS Transmission	<u>0.009479</u> 0.009562

SOCIETAL BENEFITS CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Societal Benefits Charge.

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. 57

B.P.U.N.J. No. 17 ELECTRIC

**Superseding
Original Sheet No. 57**

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatt-hour)**

Component:

Social Programs	\$ 0.002718
Energy Efficiency and Renewable Energy Programs	0.002941
Manufactured Gas Plant Remediation	0.000393
Sub-total per kilowatt-hour	\$ 0.006052

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	<u>Loss Factor</u>	<u>Sub-total Including Losses</u>	<u>USF</u>	<u>Lifeline</u>	<u>Total Charge</u>
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SOCIETAL BENEFITS CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Societal Benefits Charge.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 17 GAS

XXX Revised Sheet No. 41
Superseding
Original Sheet No. 41

SOCIETAL BENEFITS CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

Social Programs	\$ 0.000000
Energy Efficiency and Renewables Programs.....	0.030974
Manufactured Gas Plant Remediation	0.009823 0.008753
Universal Service Fund - Permanent	0.020300
Universal Service Fund - Lifeline	<u>0.005600</u>
Societal Benefits Charge	\$ 0.066697 \$ 0.065627
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT)	\$ 0.071116 \$ 0.069975

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 17 GAS

XXX Revised Sheet No. 41
Superseding
Original Sheet No. 41

SOCIETAL BENEFITS CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

Social Programs	\$ 0.000000
Energy Efficiency and Renewables Programs.....	0.030974
Manufactured Gas Plant Remediation	0.009823
Universal Service Fund - Permanent	0.020300
Universal Service Fund - Lifeline	<u>0.005600</u>
Societal Benefits Charge.....	\$ 0.066697
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT)	<u>\$ 0.071116</u>

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

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TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed changes in the Remediation Adjustment Charge component of the Societal Benefits Charge (RAC) on typical residential Electric bills, if approved by the Board, is illustrated below:

Residential Electric Service - Average Monthly Bill					
If Your Average Monthly kWh Use Is:	And Your Jun. to Sep. Avg. Monthly kWh 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:
140	171	\$37.98	\$37.97	(\$0.01)	-0.03 %
279	342	70.00	69.97	(0.03)	-0.04
558	683	134.28	134.23	(0.05)	-0.04
650	803	155.88	155.82	(0.06)	-0.04
977	1,279	233.80	233.71	(0.09)	-0.04

(1) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect December 1, 2024, and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes decrease in the RAC.

Residential Electric Service - Monthly Summer Bill				
If Your Monthly Summer kWh 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:
171	\$48.31	\$48.30	(\$0.01)	-0.02 %
342	90.67	90.64	(0.03)	-0.03
683	176.22	176.16	(0.06)	-0.03
803	207.55	207.48	(0.07)	-0.03
1,279	331.95	331.84	(0.11)	-0.03

(3) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect December 1, 2024, and assumes that the customer receives BGS-RSCP service from Public Service.

(4) Same as (3) except includes decrease in the RAC.

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the Remediation Adjustment Charge component of the Societal Benefits Charge (RAC) 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:	And Your Avg. Dec. to Mar. 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:
16	25	\$26.13	\$26.15	\$0.02	0.08 %
33	50	42.25	42.28	0.03	0.07
51	100	61.86	61.91	0.05	0.08
87	172	98.70	98.80	0.10	0.10
100	198	112.39	112.50	0.11	0.10
152	300	165.19	165.36	0.17	0.10

(1) Based upon Basic Gas Supply Service (BGSS-RSG) and Delivery Rates in effect December 1, 2024, and assumes that the customer receives commodity service from Public Service.

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

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	\$35.22	\$35.25	\$0.03	0.09 %
50	60.43	60.49	0.06	0.10
100	113.62	113.73	0.11	0.10
172	188.25	188.44	0.19	0.10
198	215.21	215.43	0.22	0.10
300	320.81	321.15	0.34	0.11

(3) Based upon Basic Gas Supply Service (BGSS-RSG) and Delivery Rates in effect December 1, 2024, and assumes that the customer receives commodity service from Public Service.

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