



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'S 2024)	APPROVING STIPULATION
ANNUAL MARGIN ADJUSTMENT CHARGE ("MAC"))	
)	BPU DOCKET NO. GR24060375

Parties of Record:

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

BY THE BOARD:

On May 31, 2024, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting approval to modify its Margin Adjustment Charge ("MAC") rate ("2024 MAC Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by PSE&G, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") (collectively, "Parties") intended to resolve the requests in the 2024 MAC Petition.

BACKGROUND

By Order dated January 9, 2002, the Board authorized PSE&G to implement the MAC to credit net revenues associated with Transmission Service Gas Non-Firm ("TSG-NF") rates to customers on rate schedules Residential Service Gas, General Service Gas, Large Volume Service Gas, Firm Transportation Gas Service, and Street Lighting Service.¹ The MAC's purpose is to properly allocate transportation and distribution costs to non-firm gas transportation customers who can switch to alternative fuel sources (e.g. oil), recognizing that these customers contribute, along with firm customers, to the costs of maintaining the distribution system. PSE&G sets its MAC to ensure margins from TSG-NF customers are credited to firm gas customers.

¹ In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Gas Rates and for Changes in the Tariff for Gas Service B.P.U.N.J. No. 12, Gas Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. GR01050328, Order dated January 9, 2002.

2024 MAC PETITION

PSE&G filed the 2024 MAC Petition seeking approval to decrease its per-therm MAC rate from (\$0.006308) to (\$0.007274).² According to the 2024 MAC Petition, for the period ending April 30, 2024, the actual MAC balance was over-collected by approximately \$13.52 million, excluding interest. For the period ending September 2024, PSE&G forecasted the MAC balance would be over-collected by approximately \$17.25 million, excluding interest.

In response to discovery, the Company updated its schedules to include actual data through September 2024 ("Update"). Based upon the Update, the updated per-therm MAC rate is (\$0.006948) which would decrease the revenue from the MAC by \$1.662 million, including SUT.

As the Company's request in the 2024 MAC Petition was a decrease, public hearings were neither required, nor held. In addition, the Board did not receive written comments related to the 2024 MAC Petition.

STIPULATION

Based upon a review of the 2024 MAC Petition, the Update, and reviewing discovery, the Parties executed the Stipulation, which provides for the following:³

1. The Company will implement a MAC rate of (\$0.006948) per therm including SUT, effective on a date approved by the Board. The MAC rate is subject to interest on any net over- or under-recovered MAC balance. Interest based upon the seven (7)-year Treasuries plus 60 basis points is to be adjusted August 1 of each year on any net over- or under-recovered MAC balance. A tariff sheet reflecting the stipulated MAC rate of (\$0.006948) per therm including SUT is attached to the Stipulation as Attachment A.
2. The Parties further agree that the actual MAC data through September 2024 and actual results for October 1, 2024, forward will be reviewed in the Company's next MAC filing to be made by June 1, 2025.
3. As a result of the proposed rate decrease, the average monthly impact of the proposed rates of a typical residential gas customer using 172 therms in a winter month and 87 average monthly therms (1,040 annually) would be a decrease in the average monthly bill from \$98.63 to \$98.57, or \$0.06 or 0.05% (based on current Delivery Rates and Basic Gas Supply Service charges in effect December 1, 2024). The residential customer bill impacts comparing the current and proposed charges are contained in Attachment B of the Stipulation.

DISCUSSION AND FINDINGS

The Board reviewed the record in this matter, including the 2024 MAC Petition, the Update, and the Stipulation. As such, the Board **HEREBY FINDS** that, subject to the terms and conditions set

² All rates quoted herein include Sales and Use Tax ("SUT").

³ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

forth below, the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as fully set forth herein.

The Board **HEREBY APPROVES** the MAC rate set forth in the Stipulation for service rendered on or after February 28, 2025. Any net over-recovered MAC balance at the end of the MAC period shall be subject to refund with interest.

Based upon the Stipulation, a typical residential customer would see their monthly bill decrease from \$98.63 to \$98.57 or \$0.06.


The Board **HEREBY DIRECTS** the Company to file the appropriate tariff sheets conforming to the terms and conditions of this Order prior to February 28, 2025, for rates effective March 1, 2025.

The Company's costs, including those related to the MAC; remain subject to audit by the Board. This Decision and Order shall not prelude nor prohibit the Board from taking any actions deemed appropriate as a result of any such audit.

The effective date of this Order is February 19, 2025.

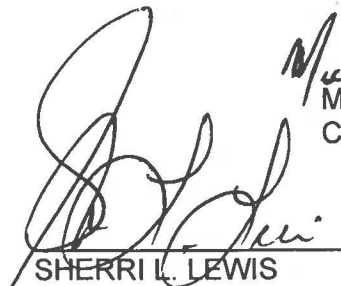
DATED: February 12, 2025

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'S 2024 ANNUAL
MARGIN ADJUSTMENT CHARGE ("MAC")

DOCKET NO. GR24060375

SERVICE LIST

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January 9, 2025

In the Matter of the Petition of
Public Service Electric and Gas Company's
2024 Annual Margin Adjustment Charge ("MAC")

BPU Docket No. GR24060375

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 is the fully executed Stipulation in the above-reference matter resolving all aspects of this matter. All the parties have signed the Stipulation: Public Service Electric and Gas Company, the Staff of the New Jersey Board of Public Utilities, and the New Jersey Division of Rate Counsel.

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

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

Sincerely,

A handwritten signature in black ink that reads "Aaron I. Karp".

Attachment

cc: Attached Service List (electronic only)

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

IN THE MATTER OF PUBLIC SERVICE ELECTRIC) BPU DOCKET NO. GR24060375
AND GAS COMPANY’S 2024 ANNUAL MARGIN)
ADJUSTMENT CHARGE (“MAC”))

STIPULATION AND AGREEMENT

APPEARANCES:

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

Maura Caroselli, Esq., Manager of Gas & Clean Energy, **Megan C. Lupo**, Esq., Assistant Deputy Rate Counsel, **Mamie W. Purnell**, Esq., Assistant Deputy Rate Counsel, and, for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Esq., Director)

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

On January 9, 2002, the New Jersey Board of Public Utilities (“Board” or “BPU”) issued an Order directing Public Service Electric and Gas Company (“PSE&G” or “Company”) to implement a Margin Adjustment Charge (“MAC”) to credit the net revenues associated with Non-Firm Transportation Gas Service rates to certain customers on Rate Schedules Residential Service, General Service, Large Volume Service, Street Lighting Service and Firm Transportation Gas Service; the Company implemented its MAC on the same date.¹

By Board Order dated January 31, 2024, the Board approved PSE&G’s current MAC rate of (\$0.006308) per therm, including Sales and Use Tax (“SUT”), effective February 15, 2024.²

¹ In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Gas Rates and for Changes in the Tariff for Gas Service B.P.U.N.J. No. 12, Gas Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. GR01050328, Order Adopting Initial Decision Approving Stipulation, Order dated January 9, 2002.

² In re the Petition of Public Service Electric and Gas Company’s 2023 Annual Margin Adjustment Charge (“MAC”), BPU Docket No. GR23060330, Decision and Order Approving Stipulation, Order dated January 31, 2024.

On May 31, 2024, PSE&G filed a petition and supporting documentation with the Board requesting authorization to lower the Company's current MAC rate from (\$0.006308) per therm, including SUT, to (\$0.007274) per therm, including SUT ("May 2024 Petition"). The May 2024 Petition included actual results through April 2024, and projected results through September 2024, projecting an overall MAC rate decrease of \$2.509 million, including SUT. Because the May 2024 Petition requested a rate decrease, the Company did not notice public hearings at that time.

In a discovery response, PSE&G updated the projected data in the May 2024 Petition with actual data through September 2024 that supported an updated MAC rate of (\$0.006948) per therm, including SUT, which reflects an overall MAC rate decrease of \$1.662 million, including SUT. Because the updated calculated credit continues to result in a rate decrease, the Company proposed to implement a MAC rate of (\$0.006948) per therm, including SUT.

Upon review of the May 2024 Petition, with actual data through April 2024 and the updates provided in discovery that include actual data through September 2024, Board Staff, the New Jersey Division of Rate Counsel, and PSE&G (collectively, "Parties") agree as follows:

1. The Company will implement a MAC rate of (\$0.006948) per therm, including SUT, effective on a date approved by the Board. The MAC rate is subject to interest on any net over- or under-recovered MAC balance. Interest based upon the seven (7)-year Treasuries plus 60 basis points is to be adjusted August 1 of each year on any net over- or under-recovered MAC balance.³ A tariff sheet reflecting the stipulated MAC rate of (\$0.006948) per therm, including SUT, is attached hereto as Attachment A;

³ See In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service, B.P.U.N.J. No 14 Electric and B.P.U.N.J. No 14 Gas Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 and for Approval of a Gas Weather Normalization Clause; a Pension Tracker and for Other Appropriate Relief, BPU Docket No. GR09050422, Order dated July 9, 2010 ("July 2010 Order"). Paragraph 12 of the July 2010 Order directs that "[t]he Prospective MAC Balance will accrue two-way interest in the same manner as the existing MAC balance."

2. The actual MAC data through September 2024, and the actual results for October 1, 2024, forward, will be reviewed in the Company's next MAC filing to be made by June 1, 2025;

3. As a result of the proposed rate decrease, a typical residential gas customer using 172 therms in a winter month, and 87 average monthly therms (1,040 annually), would experience a decrease in its average monthly bill from \$98.63 to \$98.57, or \$0.06 or 0.05% (based upon current Delivery Rates and Basic Gas Supply Service charges in effect December 1, 2024). The residential customer bill impacts comparing the current and proposed charges are attached hereto as Attachment B;

4. This stipulation of settlement ("Stipulation") represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), 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;

5. This Stipulation is binding on the Parties for all purposes provided herein;

6. This Stipulation represents a negotiated agreement made exclusively for the purpose of these proceedings. 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 supposed to underlie any agreement provided herein, in total or by specific item; and

7. This Stipulation is in no way binding upon the Parties in any other proceeding, except to enforce the terms of this Stipulation; and

8. Should the Board issue an Order approving this Stipulation, such Board Order 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.

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

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

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

BY: Matko Ilic
Matko Ilic
Deputy Attorney General

DATED: January 3, 2025

DATED: January 9, 2025

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

BY: Mamie W. Purnell
Mamie W. Purnell
Assistant Deputy Rate Counsel

DATED: January 9, 2025

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 43

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

Superseding
Original Sheet No. 43

MARGIN ADJUSTMENT CHARGE

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

	Margin Adjustment Charge	(\$0.006516) (\$0.005916)
	Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT)....	(\$0.006948) (\$0.006308)

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

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. 43

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

**Superseding
Original Sheet No. 43**

MARGIN ADJUSTMENT CHARGE

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

Margin Adjustment Charge (\$0.006516)

Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT)..... (\$0.006948)

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP – Finance, Planning & Strategy – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the Margin Adjustment Clause (MAC) 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	\$26.12	\$26.11	(\$0.01)	(0.04) %
33	50	42.22	42.20	(0.02)	(0.05)
51	100	61.81	61.78	(0.03)	(0.05)
87	172	98.63	98.57	(0.06)	(0.06)
100	198	112.30	112.24	(0.06)	(0.05)
152	300	165.06	164.96	(0.10)	(0.06)

- (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 decrease in the MAC.

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	\$35.20	\$35.19	(\$0.01)	(0.03) %
50	60.38	60.35	(0.03)	(0.05)
100	113.53	113.47	(0.06)	(0.05)
172	188.09	187.97	(0.12)	(0.06)
198	215.03	214.90	(0.13)	(0.06)
300	320.54	320.35	(0.19)	(0.06)

- (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 decrease in the MAC.