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## **NEW JERSEY BOARD OF PUBLIC UTILITIES PRESS RELEASE**

### **IMMEDIATE RELEASE**

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## **NJBPU Signs Agreement Lowering PSE&G Transmission Rates, Saving Customers \$140 Million in First Year**

*If Approved by FERC, New Rate of Return on Equity Would Yield Lower Monthly Costs for Ratepayers*

**Trenton, NJ** – The New Jersey Board of Public Utilities (NJBPU) today authorized Board Staff to sign a settlement agreement between the NJBPU, Division of Rate Counsel, and Public Service Electric & Gas (PSE&G) to substantially lower PSE&G’s existing transmission services Return on Equity (ROE). PSE&G will file the request for the new rate with the Federal Emergency Regulatory Commission (FERC), who has the final approval. The ROE is a significant part of the formula used to determine the total amount of revenue the transmission owner is allowed to charge their customers.

Approval of the settlement by FERC would save New Jersey consumers approximately \$140 million in the first year, which would result in a decrease of approximately \$36 per year for a typical residential consumer. The base transmission ROE would be reduced from the current rate of 11.18 percent down to 9.90 percent.

“Our priority is to deliver on the NJBPU’s mission to ensure safe, adequate, and proper utility services are provided at reasonable rates to New Jersey customers,” said NJBPU President Joseph L. Fiordaliso. “I am pleased that we were able to come to a settlement agreement with the Division of Rate Counsel and PSE&G that, if approved by FERC, will result in direct savings for ratepayers.”

The settlement agreement allows PSE&G to file the settlement on a “pre-packaged” basis, meaning that the utility would file to lower the rates it charges for transmission. In exchange, Rate Counsel and the Board agree not to request further reductions for a period of three years. Another benefit of a pre-packaged approach is that the new, lower rates could take effect as early as

September 2021. Additionally, the Board and Rate Counsel avoid the expense, lengthy delay, and risks of litigation.

NJBPU anticipates that the utility will file with FERC this week.

*About the New Jersey Board of Public Utilities (NJBPU)*

*NJBPU is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight and responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about NJBPU, visit our website at [www.nj.gov/bpu](http://www.nj.gov/bpu).*

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