

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ITS CLEAN ENERGY FUTURE - ELECTRIC VEHICLE AND ENERGY STORAGE ("CEF-EVES") PROGRAM AND RECOVERY OF ASSOCIATED COSTS

Notice of a Filing and Notice of Public Hearings

BPU Docket No. EO18101111

TAKE NOTICE that Public Service Electric and Gas Company ("Public Service" or the "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") in October 2018 requesting approval to implement and administer a PSE&G Clean Energy Future – Electric Vehicle and Energy Storage Program ("CEF-EVES" or the "Program"). The objective of the CEF-EVES Program is to accelerate electric vehicles adoption and deployment of energy storage technology in New Jersey.

For the Electric Vehicle ("EV") portion of the Program, PSE&G seeks BPU approval to commit up to \$261 million in direct investment over a period of approximately six years. PSE&G's EV program includes a \$93 million residential subprogram which will pay for the cost of a home EV charger and installation for EV users, up to a cap of \$2,000 per installation. PSE&G's EV proposal also includes a \$39 million Mixed-use charging subprogram and a \$62 million DC fast charging subprogram. In addition, PSE&G's EV proposal includes a \$45 million "Vehicle Innovation" subprogram to promote EV use, which encompasses a \$33 million electric school bus project and \$12 million to fund other vehicle electrification projects.

Approval of PSE&G's EV filing would initially increase rates to be paid by the Company's electric customers by approximately \$9.7 million over an 18-month period. Rate recovery for PSE&G's EV program will continue until 2064, with a peak revenue requirement in the 2024-2025 timeframe.

For the Energy Storage ("ES") portion of the Program, PSE&G seeks BPU approval to commit up to \$109.4 million in direct investment over a period of approximately six years. PSE&G's ES program encompasses subprograms to smooth intermittent solar generation (\$13.1 million), resolve forecasted distribution grid overload conditions (\$38.6 million), deploy mobile battery storage devices (\$20 million), develop microgrids for Critical Facilities (\$25.7 million) and facilitate peak reduction for public sector facilities (\$11.9 million).

Approval of PSE&G's ES filing would initially increase rates to be paid by the Company's electric customers by approximately \$0.7 million over an 18-month period. Rate recovery for PSE&G's ES program will continue until 2045, with a peak revenue requirement in the 2025-2026 timeframe.

PSE&G proposes to recover its net EV and ES Program costs from all of its electric ratepayers through a new charge in the PSE&G electric tariff titled the Technology Innovation Charge ("TIC"). The individual components of the TIC will be applicable to all kWh sales on all electric rate schedules and would be reviewed and modified in an annual filing.

The Company is requesting that any over/under recovery of actual revenue requirements compared to revenues would be deferred. In calculating the monthly interest on net over and under recoveries, the interest rate would be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month. The proposed TIC rates for the initial 18-month period, if approved by the Board, are shown in Table #1.

Table #2 provides the approximate net effect of the proposed initial increase in rates relating to the CEF-EVES Program, if approved by the Board. The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage. The approximate effect of the proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #3.

Under the Company's proposal, a typical residential electric customer using 740 kilowatt-hours ("kWh") per summer month and 6,920 kWh on an annual basis would see an increase in the annual bill from \$1,312.72 to \$1,313.96, or \$1.24 or approximately 0.09%.

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21 to establish the TIC to levels it finds

just and reasonable. Therefore, the Board may establish the TIC at a level other than that proposed by Public Service. Therefore, the described charges may increase or decrease based upon the Board's decision.

A copy of the Company's filing is available for review online at the PSE&G website at <http://www.pseg.com/pseandgfilings>.

Telephonic hearings have been scheduled on the following dates and times so that members of the public may present their views on the Company's filing.

Date 1: Oct. 21, 2020
Time: 5:30 pm
Dial In: 888 475 4499 (US Toll Free)
Conference ID: 880 352 5411
Passcode: 202010

Date 2: Oct. 22, 2020
Time: 5:30 pm
Dial In: 888 475 4499 (US Toll Free)
Conference ID: 880 352 5411
Passcode: 202010

Representatives from the Company, Board Staff, and the Division of Rate Counsel will participate in the public hearings. Members of the public are invited and may express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. The Board is also accepting written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Email comments should be submitted to: board.secretary@bpu.nj.gov.

Please include the name of the petition and the docket number when submitting comments. Written and emailed comments will be provided the same weight as statements made at the hearings. Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

**Table # 1
TIC Charges**

	CEF-EV Program Component of the TIC		CEF-ES Program Component of the TIC		Total TIC	
	Present (Incl SUT)	Proposed (Incl SUT)	Present (Incl SUT)	Proposed (Incl SUT)	Present (Incl SUT)	Proposed (Incl SUT)
TIC Electric (\$ per kWh)	\$0.000000	\$0.000162	\$0.000000	\$0.000012	\$0.000000	\$0.000174

**Table # 2
Impact by Electric Customer Class**

PROPOSED PERCENTAGE INCREASES BY CUSTOMER CLASS FOR ELECTRIC SERVICE		
	Rate Class	% Increase
Residential	RS	0.09%
Residential Heating	RHS	0.12
Residential Load Management	RLM	0.09
General Lighting & Power	GLP	0.10
Large Power & Lighting - Secondary	LPL-S	0.13
Large Power & Lighting – Primary	LPL-P	0.16
High Tension – Subtransmission	HTS-S	0.19

The percent increases noted above are based upon Delivery Rates and the applicable Basic Generation Service (BGS) charges in effect September 1, 2020 and assumes that customers receive commodity service from Public Service Electric and Gas Company.

**Table #3
Residential Electric Service**

If Your Annual kWh Use Is:	And Your Monthly Summer kWh Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Monthly Percent Change Would Be:

1,732	185	\$38.59	\$38.62	\$0.03	0.08%
3,464	370	72.25	72.31	0.06	0.08
6,920	740	141.44	141.57	0.13	0.09
7,800	803	153.75	153.89	0.14	0.09
12,500	1,337	258.15	258.38	0.23	0.09

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect September 1, 2020 and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes the proposed creation of the Technology Innovation Charge.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY