



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY FOR)
APPROVAL OF GAS BASE RATE ADJUSTMENTS)
PURSUANT TO ITS GAS SYSTEM MODERNIZATION)
PROGRAM)
ORDER APPROVING)
STIPULATION)
DOCKET NO. GO16070711)

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Martin C. Rothfelder, Esq., on behalf of Public Service Electric and Gas Company

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers a stipulation and agreement ("2016 Stipulation") executed by Public Service Electric and Gas Company ("PSE&G" or "Company"), 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 above docketed matter.

BACKGROUND

By Order dated November 16, 2015,¹ the Board authorized PSE&G to implement a three year Gas System Modernization Program ("GSMP" or "Program") through which the Company would invest approximately \$650 million (excluding Allowance for Funds Used During Construction) to replace the Company's utilization pressure cast iron ("UPCI") and unprotected steel mains and associated services, and the up-rating of the UPCI segments to higher pressure.² The November 2015 Order also approved a cost recovery mechanism that allowed for annual rate

¹ In re the Petition of Public Service Electric and Gas Company for Approval of a Gas System Modernization Program and Associated Cost Recovery Mechanism, BPU Docket No. GR15030272, Order dated November 16, 2015 ("November 2015 Order").

² For mains installed and pressurized with gas as of December 31, 2018, spending for restoration work in the first six months of 2019 is included in the program, subject to the Programs cost limitations.

adjustments ("Alternative Rate Mechanism") and required PSE&G to maintain a base level of capital spending of approximately \$85 million that is not recoverable through the Alternative Rate Mechanism. In addition, the November 2015 Order required that PSE&G file a base rate case with the Board no later than November 1, 2017.

July 2016 Filing

On July 29, 2016, in compliance with the November 2015 Order, the Company filed the instant petition ("July 2016 Petition") with the Board seeking approval to recover the projected revenue requirement of \$13.445 million associated with projected GSMP costs through September 2016.

On October 14, 2016, the Company provided updated documents reflecting actual costs through September 2016, which supported a revenue requirement of \$9.699 million as follows:

| | |
|---|----------|
| Gas System Modernization Program [GO16070711] | |
| Provisional Revenue Requirement [\$000] | |
| Roll-In Effective January 1, 2017 | |
| Gross Plant [Spending through September 30, 2016] | \$93,558 |
| Accumulated Depreciation | 18 |
| Net Plant | 93,576 |
| Accumulated Deferred Taxes | -17,199 |
| Rate Base | 76,376 |
| Rate of Return | 6.25% |
| Return Requirement | 4,774 |
| Depreciation Exp, net | 891 |
| Subtotal | 5,665 |
| Revenue Factor | x1.7121 |
| Revenue Requirement | \$9,699 |

After publication of notice in newspapers of general circulation in the Company's service territory, public hearings were held in the afternoon and the evening on October 18, 19 and 20, 2016, in Hackensack, New Brunswick and Mt. Holly, respectively. Two members of the public spoke in New Brunswick. One member of the public expressed concerns regarding PSE&G construction near his residence, while the other, a reporter, asked questions about the Program.

STIPULATION³

On November 14, 2016, the Parties executed the 2016 Stipulation to resolve this matter. The 2016 Stipulation provides as follows:

The Company shall implement the rates associated with the updated annualized increase in the gas revenue requirement and the rate design in the November 2015 Order, which were provided in the updated (October 14, 2016) Schedule SS-GSMP-5. Those pages are attached as Attachment 1 to the 2016 Stipulation. The Company shall implement these gas rates effective January 1, 2017.⁴

The annual bill increase for a typical residential heating customer using 165 therms per winter month and 1,010 therms annually is \$5.32 (0.62%) (including SUT).

Program spending and rate adjustments are provisional and subject to review and refund in the Company's next base rate case. Nothing in the Stipulation will preclude any party from raising in the next base case any objection that could have been raised in the annual filings.

DISCUSSION AND FINDING

The Board having carefully reviewed the record in this proceeding, including the July 2016 Petition and the 2016 Stipulation executed by the Parties, the Board **HEREBY FINDS** the 2016 Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY APPROVES** the rate adjustments calculated in Attachment 1 of the 2016 Stipulation, on a provisional basis, to be effective for services rendered on and after January 1, 2017.

Based on the 2016 Stipulation, the annual bill impact on the typical residential gas heating customer using 1,010 therms is an increase of \$5.32 or approximately 0.62%.

The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order prior to January 1, 2017. PSE&G is further **DIRECTED** to reflect the reduction of the SUT rate in its tariff compliance filing.

The Company's costs remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

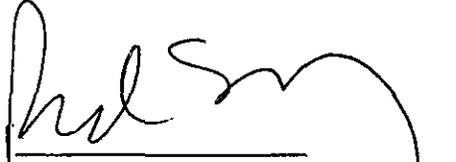
³ Although summarized in this Order, the detailed terms of the 2016 Stipulation are controlling, subject to the findings and conclusions of this Order.

⁴ The rates in Attachment 1 to the Stipulation include New Jersey Sales and Use Tax ("SUT") at 7%. Effective January 1, 2017, the SUT rate will be reduced to 6.875%.

The effective date of this Order is December 22, 2016.

DATED: 12/12/16

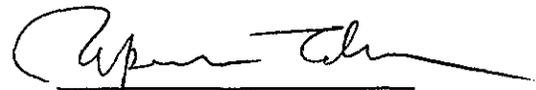
BOARD OF PUBLIC UTILITIES
BY:

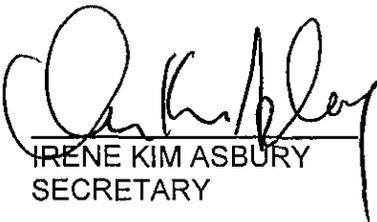

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

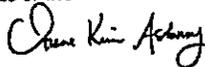

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 GAS BASE RATE ADJUSTMENTS PURSUANT TO ITS GAS SYSTEM
MODERNIZATION PROGRAM
DOCKET NO. GO16070711
SERVICE LIST**

PSE&G

Martin Rothfelder, Esq.
Associate General Counsel
Law Department
PSEG Services Corporation
80 Park Plaza-T5
Newark, NJ 07102-4194
martin.rothfelder@pseg.com

Matthew Weissman
Associate General Counsel
Law Department
PSEG Services Corporation
80 Park Plaza-T5
Newark, NJ 07102-4194
matthew.weissman@pseg.com

Constance Lembo
Regulatory Case Coordinator
80 Park Plaza-T5
Newark, New Jersey 07102
constance.lembo@pseg.com

Division of Rate Counsel

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

Stefanie A. Brand, Esq., Director
stefanie.brand@rpa.state.nj.us

Sarah Steindel, Esq.
sarah.steinde@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
felicia.thomas@rpa.state.nj.us

Brian Lipman, Esq.
brian.lipman@rpa.state.nj.us

Board of Public Utilities

44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350

Irene Kim Asbury, Esq.
Secretary of the Board
irene.asbury@bpu.nj.gov

Thomas Walker, Director
Division of Energy
thomas.walker@bpu.nj.gov

Stacy Peterson, Deputy Director
Division of Energy
stacy.peterson@bpu.nj.gov

Robert Schultheis, Chief
Division of Energy
robert.schultheis@bpu.nj.gov

Scott Sumliner
Division of Energy
scott.sumliner@bpu.nj.gov

Bethany Rocque-Romaine, Esq.
Counsel's Office
bethany.romaine@bpu.nj.gov

Megan Lupo, Esq.
Counsel's Office
megan.lupo@bpu.nj.gov

Valerie Haynes
Case Management
valerie.haynes@bpu.nj.gov

Division of Law

124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Geoffrey Gersten, DAG
geoffrey.gersten@dol.lps.state.nj.us

Alex Moreau, DAG
alex.moreau@dol.lps.state.nj.us

Patricia Krogman, DAG
patricia.krogman@dol.lps.state.nj.us

Martin C. Rothfelder
Associate General Regulatory Counsel

Law Department
PSEG Services Corporation
80 Park Plaza – T5, Newark, New Jersey 07102-4194
tel : 973-430-6479 fax: 973-430-5983
email: martin.rothfelder@pseg.com



November 15, 2016

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Gas Base Rate Adjustments Pursuant to its
Gas System Modernization Program

BPU Docket No. GO16070711

VIA OVERNIGHT MAIL

Irene Kim Asbury, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Asbury:

Enclosed for filing are ten copies of the fully executed Settlement and Agreement resolving all issues in the above-referenced matter.

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink that reads "Martin C. Rothfelder".

C Attached Service List (E-mail Only)

BPU

William Agee Esq.
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-1616
william.agee@bpu.nj.gov

BPU

Joe Costa
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 984-4558
joe.costa@bpu.nj.gov

BPU

Jake Gertsman Esq.
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
jake.gertsman@bpu.nj.gov

BPU

Megan Lupo
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
megan.lupo@bpu.nj.gov

BPU

Henry Rich
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 341-5760
henry.rich@bpu.nj.gov

BPU

Michael Stonack
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 777-0192
michael.stonack@bpu.nj.gov

BPU

Irene Kim Asbury
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-1599
Irene.Asbury@bpu.nj.gov

BPU

Cynthia Covie
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-1482
cynthia.covie@bpu.nj.gov

BPU

Son Lin Lai
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2098
son-lin.lai@bpu.nj.gov

BPU

Jacqueline O'Grady
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2947
jackie.ogrady@bpu.nj.gov

BPU

Bethany Rocque-Romaine Esq.
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-1496
bethany.rocque-romaine@bpu.nj.gov

BPU

Scott Sumliner
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4519
scott.sumliner@bpu.nj.gov

BPU

Mark Beyer
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2637
mark.beyer@bpu.nj.gov

BPU

Paul Flanagan
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-2836
paul.flanagan@bpu.nj.gov

BPU

Christine Lin
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2956
christine.lin@bpu.nj.gov

BPU

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4517
stacy.peterson@bpu.nj.gov

BPU

Robert Schultheis
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 984-9633
robert.schultheis@bpu.nj.gov

DAG

Geoffrey Gersten
NJ Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
(973) 648-3510
geoffrey.gersten@dol.lps.state.nj.us

DAG

Angela Hickson
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07102
Angela.Hickson@dol.lps.state.nj.us

DAG

Caroline Vachier DAG
NJ Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
(973) 648-3709
caroline.vachier@dol.lps.state.nj.us

PSE&G

Connie E. Lembo
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-6273
constance.lembo@pseg.com

Rate Counsel

Stefanie A. Brand
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
sbrand@rpa.state.nj.us

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

Rate Counsel

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

DAG

Jenique Jones
NJ Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
jenique.jones@dol.lps.state.nj.us

PSE&G

Joseph F. Accardo, Jr.
PSEG Services Corporation
80 Park Plaza, T5G
P.O. Box 570
Newark NJ 07102
(973) 430-5811
joseph.accardojr@pseg.com

PSE&G

Martin C. Rothfelder Esq.
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-6479
martin.rothfelder@pseg.com

Rate Counsel

Maura Caroselli Esq.
Division of Rate Counsel
140 East Front Street
4th Floor
Trenton NJ 08625
mcaroselli@rpa.state.nj.us

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.state.nj.us

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.state.nj.us

DAG

Alex Moreau DAG
NJ Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
(973) 648-3762
Alex.Moreau@dol.lps.state.nj.us

PSE&G

Michele Falcao
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-6119
michele.falcao@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

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

Rate Counsel

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

Rate Counsel

Felicia Thomas-Friel
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
fthomas@rpa.state.nj.us

10/24/2016

Public Service Electric and Gas Company
GSMP 2016
GO16070711

Page 3 of 3

Rate Counsel Consultant

Robert Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich CT 06870
(203) 698-1989
rhenkes@optonline.net

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

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF GAS BASE) BPU Docket No. GO16070711
RATE ADJUSTMENTS PURSUANT TO ITS)
GAS SYSTEM MODERNIZATION PROGRAM)

STIPULATION AND AGREEMENT

APPEARANCES:

Martin C. Rothfelder, Esq., Associate General Regulatory Counsel for the Petitioner, Public Service Electric and Gas Company

Felicia Thomas-Friel, Esq., Managing Attorney – Gas, **Sarah H. Steindel**, Assistant Deputy Rate Counsel, and **Maura Caroselli**, Assistant Deputy Rate Counsel, New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

Alex Moreau and **Emma Xiao**, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Christopher S. Porrino, Attorney General of New Jersey)

On July 29, 2016 Public Service Electric and Gas Company (PSE&G, the Company) filed a Petition (July 2016 Petition) with the Board of Public Utilities (Board) seeking BPU approval to recover the revenue requirements associated with certain capitalized gas investment costs of the Gas System Modernization Program through September 30, 2016. Upon review of the PSE&G filing, conducting and reviewing responses to discovery, and discussing the facts and issues in settlement meetings, telephone calls, and e-mails, the Staff of the New Jersey Board of Public Utilities (Board Staff), the New Jersey Division of Rate Counsel (Rate Counsel), and PSE&G, the only parties to this proceeding (collectively, the Parties), stipulate and agree as follows:

1. PSE&G’s July 2016 Petition in this matter sought Board approval for gas base rate changes to provide for cost recovery associated with the Company’s Gas System

Modernization Program. The Gas System Modernization Program was addressed in a Board Decision and Order Addressing Stipulation dated November 16, 2015 in BPU Docket No. GR15030272 (Gas System Modernization Program Order) that adopted a Stipulation that explicitly authorizes the request for the rate increases in the July 2016 Petition.¹

2. PSE&G's July 2016 Petition seeks authority to establish rates to recover an annualized increase in gas revenue requirement of \$13.455 million. The proposed revenue requirement increase is associated with Gas System Modernization Program investment costs. The annualized increase in gas revenue requirement was supported by Attachment 2, Schedule SS-GSMP-2 attached to the July 2016 Petition, which was based upon actual expenditures from January 1, 2016 through June 30, 2016 and projected expenditures through September 30, 2016, and was also the basis for the proposed increased base gas rates.
3. Notice of the Company's July 2016 Petition, including the date, time and place of public hearings, was placed in newspapers having a circulation within the Company's gas service territory, and was served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company's gas service territory. In accordance with that notice, public hearings on the Company's requests were held on the following dates at three locations in PSE&G's service territory: two hearings on October 18, 2016 in Hackensack, New Jersey; two hearings on October

¹ Paragraph 19a of that Stipulation provides that :

Revenue Requirements associated with Program investments that are placed into service through and including 9/30/16 shall go into base rates effective 1/1/17. PSE&G shall make its initial filing for such rates in July 2016, and update such filing for actual data through September 30, 2016 by October 15, 2016.

19, 2016 in New Brunswick, New Jersey; and two hearings on October 20, 2016 in Mt. Holly, New Jersey. No members of the public provided comments at the hearings in Hackensack and Mt. Holly. In New Brunswick two members of the public provided comments. One member complained of PSE&G construction near his house, while the other was a reporter with the press who asked questions.

4. On October 14, 2016, the Company provided updated schedules in this matter, which replaced the projected data in the original schedules with actual data through September 30, 2016. Updated Schedule SS-GSMP-2 reflects the updated annualized increase to gas revenue requirements associated with Gas System Modernization Program investment costs. The updated annual increase in revenue requirement reflected in that schedule is lower than the increase in annual gas revenue requirement proposed in this matter. The Company shall receive rates, as described below, designed to recover the revenue requirement increases from the updated Schedule SS-GSMP-2 of \$9.699 million for gas.
5. The Company shall implement the rates associated with the updated annualized increase in the gas revenue requirement and the rate design in the Gas System Modernization Program Order, which were provided in the updated (October 14, 2016) Schedule SS-GSMP-5. Those pages are attached hereto as Attachment 1. The Company shall implement the gas rates discussed in this paragraph effective January 1, 2017. The rates in Attachment 1 that include Sales and Use Tax (SUT) are based on the SUT rate of 7% that is currently in effect.
6. The annual impact of the increased rates, which reflect SUT at the current 7% rate, to the typical residential gas heating customer using 165 therms in a winter month and 1,010 therms annually is \$5.32 or approximately 0.62%.

7. The Parties agree that pursuant to the terms of the Gas System Modernization Program Order, PSE&G may implement the rates in Attachments 1 effective January 1, 2017. The rate adjustments established herein shall be provisional and subject to refund based upon a Board finding that PSE&G imprudently incurred capital expenditures under the Gas System Modernization Program. Such prudence review shall take place in the Company's Next Base Case². Nothing herein will preclude any party from raising in the Next Base Case any objection that could have been raised in the annual filings.
8. 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. More particularly, in the event that 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.
9. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.
10. 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, Public Service, Board Staff, and Rate Counsel shall not be

² "Next Base Case" as used herein is the term as defined in the Energy Strong case Stipulation as approved by the Board of Public Utilities in Docket numbers EO13020155 & GO13020156 by an Order dated May 21, 2014, as well as in paragraph 20 of the Gas System Modernization Program Stipulation that was approved by the Gas System Modernization Program Order.

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. 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.

11. The Parties further 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.

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

CHRISTOPHER S. PORRINO,
ATTORNEY
GENERAL OF NEW JERSEY
Attorney for the Staff of the
New Jersey Board of Public Utilities

BY: Martin C. Rothfelder
Martin C. Rothfelder, Esq.

BY: Alex Moreau
Alex Moreau
Deputy Attorney General

DATED: _____

DATED: November 14, 2016

NEW JERSEY DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR

BY: Felicia Thomas-Friel
Felicia Thomas-Friel, Esq.
Managing Attorney - Gas

DATED: _____

GSMP Roll In

Gas Tariff Rates

Schedule SS-GSMP-5
Page 10 of 11

| <u>Rate Schedule</u> | <u>Present</u> | | <u>Proposed</u> | |
|---|-------------------------------|-------------------------------------|-------------------------------|-------------------------------------|
| | <u>Charge without/SUT</u> | <u>Charge Including SUT</u> | <u>Charge without/SUT</u> | <u>Charge Including SUT</u> |
| RSG | | | | |
| Service Charge | \$5.46 | \$5.84 | \$5.46 | \$5.84 |
| Distribution Charges | \$0.302791 | \$0.323986 | \$0.307818 | \$0.329365 |
| Balancing Charge | \$0.084457 | \$0.090369 | \$0.084457 | \$0.090369 |
| Off-Peak Use | \$0.151396 | \$0.161994 | \$0.153909 | \$0.164683 |
| GSG | | | | |
| Service Charge | \$11.36 | \$12.16 | \$11.59 | \$12.40 |
| Distribution Charge - Pre July 14, 1997 | \$0.249100 | \$0.266537 | \$0.251844 | \$0.269473 |
| Distribution Charge - All Others | \$0.249100 | \$0.266537 | \$0.251844 | \$0.269473 |
| Balancing Charge | \$0.084457 | \$0.090369 | \$0.084457 | \$0.090369 |
| Off-Peak Use Dist Charge - Pre July 14, 1997 | \$0.124550 | \$0.133269 | \$0.125922 | \$0.134737 |
| Off-Peak Use Dist Charge - All Others | \$0.124550 | \$0.133269 | \$0.125922 | \$0.134737 |
| LVG | | | | |
| Service Charge | \$100.12 | \$107.13 | \$100.12 | \$107.13 |
| Demand Charge | \$3.7665 | \$4.0302 | \$3.8295 | \$4.0976 |
| Distribution Charge 0-1,000 pre July 14, 1997 | \$0.042928 | \$0.045933 | \$0.044153 | \$0.047244 |
| Distribution Charge over 1,000 pre July 14, 1997 | \$0.039301 | \$0.042052 | \$0.039804 | \$0.042590 |
| Distribution Charge 0-1,000 post July 14, 1997 | \$0.042928 | \$0.045933 | \$0.044153 | \$0.047244 |
| Distribution Charge over 1,000 post July 14, 1997 | \$0.039301 | \$0.042052 | \$0.039804 | \$0.042590 |
| Balancing Charge | \$0.084457 | \$0.090369 | \$0.084457 | \$0.090369 |
| SLG | | | | |
| Single-Mantle Lamp | \$9.6316 | \$10.3058 | \$9.6316 | \$10.3058 |
| Double-Mantle Lamp, inverted | \$9.4856 | \$10.1496 | \$9.4856 | \$10.1496 |
| Double Mantle Lamp, upright | \$8.3906 | \$8.9779 | \$8.3906 | \$8.9779 |
| Triple-Mantle Lamp, prior to January 1, 1993 | \$9.4856 | \$10.1496 | \$9.4856 | \$10.1496 |
| Triple-Mantle Lamp, on and after January 1, 1993 | \$61.9958 | \$66.3355 | \$61.9958 | \$66.3355 |
| Distribution Therm Charge | \$0.087428 | \$0.093548 | \$0.094750 | \$0.101383 |

Gas Tariff Rates

Schedule SS-GSMP-5
Page 11 of 11

| | | <u>Present</u> | | <u>Proposed</u> | |
|-----------------|-----------------------------------|----------------|-------------------------------------|-----------------|-------------------------------------|
| | | <u>Charge</u> | <u>Charge Including SUT</u> | <u>Charge</u> | <u>Charge Including SUT</u> |
| TSG-F | Service Charge | \$539.30 | \$577.05 | \$550.09 | \$588.60 |
| | Demand Charge | \$1.8637 | \$1.9942 | \$1.8880 | \$2.0202 |
| | Distribution Charges | \$0.071237 | \$0.076224 | \$0.072167 | \$0.077219 |
| TSG-NF | Service Charge | \$539.30 | \$577.05 | \$550.09 | \$588.60 |
| | Distribution Charge 0-50,000 | \$0.071098 | \$0.076075 | \$0.071949 | \$0.076985 |
| | Distribution Charge over 50,000 | \$0.071098 | \$0.076075 | \$0.071949 | \$0.076985 |
| | Special Provision (d) | \$1.89 | \$2.02 | \$1.89 | \$2.02 |
| CIG | Service Charge | \$140.22 | \$150.04 | \$142.09 | \$152.04 |
| | Distribution Charge 0-600,000 | \$0.063537 | \$0.067985 | \$0.064359 | \$0.068864 |
| | Distribution Charge over 600,000 | \$0.052136 | \$0.055786 | 0.05281 | \$0.056507 |
| | Special Provision (c) 1st para | \$1.89 | \$2.02 | \$1.89 | \$2.02 |
| BGSS RSG | Commodity Charge including Losses | \$0.317624 | \$0.339858 | \$0.317575 | \$0.339805 |
| CSG | Service Charge | \$539.30 | \$577.05 | \$550.09 | \$588.60 |