



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	)	DECISION AND ORDER
SERVICE ELECTRIC AND GAS COMPANY'S	)	APPROVING INITIAL DECISION
2018/2019 ANNUAL BGSS COMMODITY	)	AND STIPULATION FOR FINAL
CHARGE FILING FOR ITS RESIDENTIAL GAS	)	RATES
CUSTOMERS UNDER ITS PERIODIC PRICING)	
MECHANISM AND FOR CHANGES IN ITS	)	DOCKET NO. GR18060606
BALANCING CHARGE	)	OAL DOCKET NO. PUC 14180-18

Parties of Record:

Matthew W. Weissman, Esq., on behalf of Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers an Initial Decision executed by Administrative Law Judge ("ALJ") Jacob S. Gertsman and a Stipulation for Final BGSS Rates ("Stipulation") executed by Public Service Electric and Gas Company ("PSE&G" or "Company"), Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") intended to resolve the Company's requests related to the above matter.

BACKGROUND

By Order¹ dated January 6, 2003, in Docket No. GX01050304, the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs"), to submit to the Board by June 1st its annual Basic Gas Supply Service ("BGSS") gas cost filing for the BGSS year beginning October 1st. In addition, the January 2003 BGSS Order authorizes each GDC to self-implement up to five (5) percent BGSS rate increase effective December 1st of the current year and February 1st of the following year with one (1) month's advance notice to the Board and Rate Counsel and implement a decrease in its BGSS rate at any time during the year upon five (5) days' notice to the Board and Rate Counsel.

¹ In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act N.J.S.A. 48:3-49 et seq. - Order Approving BGSS Price Structure, BPU Docket No. GX01050304 (January 6, 2003). ("January 2003 BGSS Order")

2018 BGSS Filing

In accordance with the January 2003 BGSS Order, on June 1, 2018, PSE&G filed a petition ("2018 BGSS Petition") with the Board seeking approval to modify its BGSS Residential Gas Service ("BGSS-RSG") rate as well as its Balancing Charge. In the 2018 BGSS Petition, the Company sought authority to decrease its current BGSS-RSG rate per therm from \$0.368938² to \$0.349579, effective October 1, 2018. Approval of the Company's request would result in a decrease in annual BGSS-RSG revenues of approximately \$24.8 million, excluding losses and SUT.

The 2018 BGSS Petition also sought authority to increase its Balancing Charge, from the current charge of \$0.090052 per therm to \$0.102825 per therm, effective October 1, 2018. The Balancing Charge is applicable only for the period November through March. The impact of the requested BGSS-RSG Charge and Balancing Charge change for a typical residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see a decrease in their monthly winter bill of \$7.07. A typical residential customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see a decrease in their annual bill of \$11.71 (both calculations based upon rates in effect on September 1, 2018 and assuming the customer receives BGSS service from PSE&G).

After publication of notices in newspapers of general circulation in the Company's service territory, public hearings were conducted on August 21, 27, and 29, 2018, in New Brunswick, Hackensack, and Mt. Holly, New Jersey respectively. Six members of the public spoke and expressed general concerns regarding utility bills and service shutoffs for lack of payment. No member of the public commented specifically on the 2018 BGSS Petition.

Subsequent to the June 1, 2018 filing, the Company made a compliance filing in response to the Board's Order³ in the Company's Petition for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Energy Strong Program. As a result of the Energy Strong Rate Adjustment Order, the Company's BGSS-RSG Commodity Charge was decreased from \$0.368938 per therm (including losses and SUT) to \$0.368937 per therm, effective September 1, 2018.

On September 17, 2018, the Board issued an Order ("September 2018 Provisional Order") in this docket which approved a stipulation executed by the Parties. The September 2018 Provisional Order authorized PSE&G to implement the a BGSS-RSG rate of \$0.349579 per therm on a provisional basis and a Balancing Charge of \$0.102825 per therm for services rendered on and after October 1, 2018. For a typical residential customer using 1,010 therms on an annual basis, the provisionally approved changes in the BGSS-RSG and Balancing Charge rates resulted in a decrease in the annual bill of \$11.71 (based on rates in effect as of September 1, 2018 and assuming the customer receives BGSS service from PSE&G).

On September 20, 2018, the Board transmitted this matter to the Office of Administrative Law as a contested case where it was subsequently assigned to ALJ Gertsman.

² All rates quoted herein include losses and Sales and Use Tax ("SUT") unless otherwise stated.

³ In re the Petition of Public Service Electric and Gas Company for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Energy Strong Program, BPU Docket Nos. ER18040358 and GR18040359 (August 29, 2018). ("Energy Strong Rate Adjustment Order").

Subsequent to the Board's issuance of the September 2018 Provisional Order, PSE&G made compliance filings in response to the Board's Orders in two matters. First, on October 30, 2018, PSE&G made a compliance filing as a result of a Board Order⁴ in PSE&G's 2018 base rate case. As a result of the Base Rate Case Order, the BGSS-RSG rate was decreased from the provisionally approved rate of \$0.349579 per therm to \$0.349129 per therm, effective November 1, 2018. Second, on December 28, 2018, PSE&G made a compliance filing in response to a Board Order⁵ resolving the Company's filing related to its Gas System Modernization Program base rate adjustment case. As a result of the GSMP Roll In Order, PSE&G's BGSS-RSG rate was further decreased from \$0.349129 per therm to \$0.349059 per therm effective January 1, 2019.

STIPULATION

Following a complete review of the 2018 BGSS Petition and discovery, On March 11, 2019, the Parties entered into the Stipulation, which provides for the following.⁶

1. The Company's BGSS Commodity Service, Tariff rate BGSS-RSG of \$0.349059 per therm (including losses and SUT) will remain in effect at this time. The Company's Balancing Charge of \$0.102825 per Balancing Use Therm (including losses and SUT) will also remain in effect at this time. The Parties agree that the aforementioned BGSS-RSG Commodity Charge and Balancing Charge shall be deemed final.
2. The current residential customer impact of this action is as follows: MONTHLY – a residential customer using 100 therms per month during the winter months and 610 therms on an annual basis will see no change in their monthly winter bill of \$87.05 (based upon rates in effect on January 1, 2019 and assuming the customer receives BGSS service from PSE&G); ANNUAL – a residential customer using 172 therms per month during the winter months and 1,040 therms on an annual basis will see no change in their monthly winter bill of \$893.03 (based upon rates in effect on January 1, 2019 and assuming the customer receives BGSS service from PSE&G).
3. In its next BGSS filing, any BGSS and Balancing Charge components that are based on PSE&G's weighted average cost of capital ("WACC") will be updated prospectively to reflect the WACC authorized in the Company's recent base rate case.

⁴ 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. 16 Electric and B.P.U.N.J. No. 16 Gas, and for changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18 N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief, BPU Docket Nos. ER18010029 and GR18010030 (October 29, 2018). ("2018 Base Rate Case Order")

⁵ In re 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. GR18070831 (December 18, 2018). ("GSMP Roll In Order")

⁶ Although summarized in this Order, should there be any conflict between this summary and this Stipulation, the terms of the Stipulation control subject to the findings and conclusion in this Order. Each paragraph is numbered to coincide with the paragraphs in the Stipulation.

4. Attached as Exhibit A to the Stipulation are the Company's tariff sheets that reflect the current BGSS-RSG Commodity Charge and Balancing Charge effective January 1, 2019.
5. The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-PSCHART-1) attached to the Stipulation as Exhibit A; and 2) a monthly report of unitized credits to the BGSS (ISG, Cogeneration, TSG-F, Off System Sales, Capacity Releases, Gas to Electric and Supplier Refunds) and the associated dollar amounts (attached to the Stipulation as Exhibit B). The chart reflected on Exhibit A of the Stipulation is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Exhibit B of the Stipulation is to be submitted to the Parties on approximately the 15th of the following month.
6. The Company's future annual BGSS gas cost filings shall continue to comply with the "Annual BGSS Minimum Filing Requirements" ("MFR") adopted by the Board by Order dated June 20, 2003 in Docket No. GR02090702, as modified by the Stipulation and Board Order dated April 25, 2018 in Docket No. GR17060589. The filings shall include an index of the MFRs and shall include the MFRs as attachments. Attached to the Stipulation as Exhibit C is a list of the MFRs, as modified in Docket No. GR17060589.

On March 14, 2019, ALJ Gertsman issued an Initial Decision approving the Stipulation finding that the Parties had voluntarily agreed to the terms of the Stipulation and that the Stipulation fully disposes of all matters and is consistent with law.

DISCUSSION AND FINDING

The Board has carefully reviewed the record in this proceeding, including ALJ Gertsman's Initial Decision and the Stipulation. The Board **HEREBY FINDS** that the Parties have voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. Accordingly, the Board **FINDS** the Initial Decision, which adopts the Stipulation, to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Initial Decision and Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the stipulation, as though fully set forth herein.

The Board **HEREBY ORDERS** that PSE&G's existing BGSS-RSG per therm rate of \$0.349059 per therm and the Balancing Charge of \$0.102825 per therm should be made final and remain in effect until further Order of the Board. Any net over-recovered BGSS balance at the end of the BGSS period shall be subject to refund with interest.

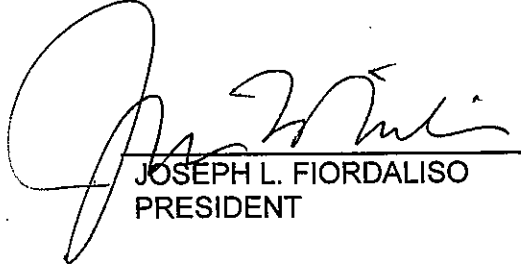
The Board **HEREBY DIRECTS** the Company to file tariff sheets consistent with the Board's Order by April 15, 2019.

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

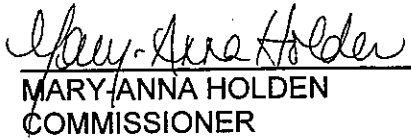
The effective date of this Order is April 8, 2019.

DATED: 3/29/19

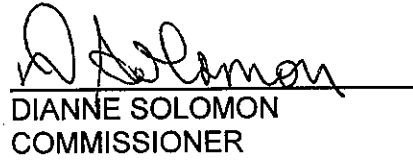
BOARD OF PUBLIC UTILITIES
BY:



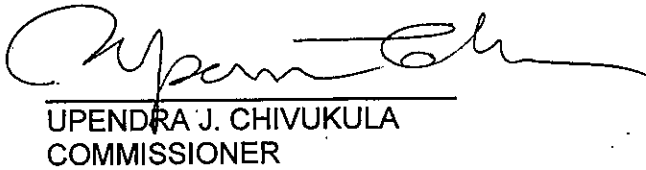
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER




DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
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 PUBLIC SERVICE ELECTRIC AND GAS COMPANY'S 2018/2019
ANNUAL BGSS COMMODITY CHARGE FILING FOR ITS RESIDENTIAL GAS CUSTOMERS
UNDER ITS PERIODIC PRICING MECHANISM AND FOR CHANGES IN ITS BALANCING
CHARGE

BPU DOCKET No. GR18060606
OAL DOCKET NO. PUC 14180-18

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 14180-18

AGENCY DKT. NO. GR18060606

**IN THE MATTER OF PUBLIC SERVICE
ELECTRIC AND GAS COMPANY 2018/2019
ANNUAL BASIC GAS SUPPLY SERVICE (BGSS)
COMMODITY CHARGE FILING FOR ITS
RESIDENTIAL GAS CUSTOMERS UNDER
ITS PERIODIC PRICING MECHANISM
AND FOR CHANGES IN ITS BALANCE CHARGE.**

**Justin B. Incardone and Matthew Weissman, Associate General Regulatory
Counsel, for petitioner PSE&G Services Corporation**

**Alex Moreau and Geoffrey Gersten, Deputy Attorneys General, for Staff of the Board
of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey, attorney)**

**Felicia Thomas-Friel and Sarah H. Steindel, Assistant Deputies Rate Counsel, for
Division of Rate Counsel (Stefanie A. Brand, Director)**

Record Closed: March 13, 2019

Decided: March 14, 2019

BEFORE JACOB S. GERTSMAN, ALJ t/a:

This proceeding involves a petition filed on June 1, 2018, by Public Service Electric and Gas Company (PSE&G or Company) for its annual filing for Basic Gas Supply Service

OAL DKT. NO. PUC 14180-18

(BGSS) and the Company's related requests to increase the BGSS rate applicable to its residential customers and for changes in its balance charge, pursuant to N.J.S.A. 48-2-21.

The petition was transmitted to the Office of Administrative Law (OAL) on September 28, 2018, for determination as a contested case, and assigned to the undersigned, who conducted the initial case management conference on October 29, 2018. Duly-noticed public hearings were held prior to the transmittal to the OAL, on August 21, 2018, in New Brunswick, New Jersey; August 27, 2018, in Hackensack, New Jersey; and on August 29, 2018, in Mount Holly, New Jersey. Six members of the public spoke and expressed general concerns regarding utility bills and service shutoffs for lack of payment. No members of the public commented specifically on the BGSS filing.

Evidentiary hearings were scheduled for April 15 and 17, 2019. Prior to the commencement of the hearings, the parties filed on March 13, 2019, a Stipulation of Settlement (J-1), resolving all issues in this proceeding. Said Stipulation of Settlement has been signed by petitioner, Staff of the Board of Public Utilities, and Division of Rate Counsel. It indicates the terms of settlement, and is attached and fully incorporated herein.

I have reviewed the terms of settlement and I **FIND:**

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures on the attached document.
2. The settlement fully disposes of all issues in controversy between the parties and is consistent with the law.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days

OAL DKT. NO. PUC 14180-18

and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

March 14, 2019
DATE


JACOB S. GERTSMAN, ALJ t/a.

Date Received at Agency: 3-15-19

Date Mailed to Parties: _____

JSG/nd

OAL DKT. NO. PUC 14180-18

APPENDIX

EXHIBITS

Jointly Submitted

J-1 Stipulation of Settlement

J-1

RECEIVED

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

2019 MAR 13 P 2:17

IN THE MATTER OF PUBLIC SERVICE	)	STATE OF NEW JERSEY
ELECTRIC AND GAS COMPANY'S	)	OFFICE OF ADMINISTRATIVE LAW
2018/2019 ANNUAL BGSS COMMODITY	)	STIPULATION FOR
CHARGE FILING FOR ITS RESIDENTIAL	)	FINAL BGSS RATES
GAS CUSTOMERS UNDER ITS PERIODIC)	
PRICING MECHANISM AND FOR CHANGES IN	)	BPU DOCKET NO. GR18060606
ITS BALANCING CHARGE	)	OAL DOCKET NO. PUC 14180-18

APPEARANCES:

Matthew M. Weissman, Esq., General State Regulatory Counsel, and Justin B. Incardone, Esq., Associate General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

Felicia Thomas-Friel, Esq., Deputy Rate Counsel and Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

Patricia Krogman, Peter Van Brunt, and Emma Yao Xiao, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

On June 1, 2018, Public Service Electric and Gas Company ("PSE&G" or "Company") made a filing in the above-referenced matter requesting a decrease in annual Basic Gas Supply Service ("BGSS") gas revenues of approximately \$24.8 million (excluding losses and New Jersey Sales and Use Tax ("SUT")) to be implemented for service rendered on and after October 1, 2018 or earlier, should the New Jersey Board of Public Utilities ("BPU" or "Board") deem it appropriate. Additionally, PSE&G requested an increase in its Balancing Charge. More specifically, in the June 1st filing, the Company requested to: (1) decrease the BGSS Commodity Charge to Residential Service Customers ("BGSS-RSG") from \$0.368938 per therm (including losses and SUT) to \$0.349579 per therm (including losses and SUT); and (2) increase its Balancing Charge, which recovers the cost of providing storage and peaking services, from the current charge of \$0.090052 per therm (including losses and SUT) to a charge of \$0.102825 per Balancing Use Therm (including losses and SUT).

The proposed changes were implemented on a provisional basis as further described below, and the residential customer impacts of this action were as follows: MONTHLY -- a

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residential customer using 100 therms per month during the winter months and 610 therms on an annual basis saw a decrease in their monthly winter bill of \$0.87. ANNUAL – a residential customer using 165 therms per month during the winter months and 1,010 therms on an annual basis saw a decrease in their annual bill of \$11.71 (both calculations based upon rates in effect on September 1, 2018 and assuming the customer receives BGSS service from PSE&G).

Notice setting forth the Company's June 1, 2018 request for the BGSS Commodity Charge decrease and Balancing Charge increase, including the date, time, and place of the public hearings, was placed in newspapers having a circulation within PSE&G's gas service territory, and was served on the county executives and clerks of all municipalities within its gas service territory.

Public hearings were scheduled and conducted in New Brunswick, Hackensack, and Mt. Holly on August 21, 27, and 29, 2018, respectively. Six members of the public spoke and expressed general concerns regarding utility bills and service shutoffs for lack of payment. No member of the public commented specifically on this BGSS filing.

Subsequent to the June 1, 2018 Filing, the Company made a compliance filing on August 31, 2018 in response to the Board's Order in the Company's petition for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Energy Strong Program ("Energy Strong Matter") in BPU Docket Nos. ER18040358 and GR18040359. As a result of the settlement of the Energy Strong Matter, the Company's BGSS-RSG Commodity Charge was decreased from \$0.368938 per therm (including losses and SUT) to \$0.368937 per therm (including losses and SUT) effective September 1, 2018.¹

PSE&G, Staff of the New Jersey Board of Public Utilities ("Board Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties") determined that

¹ As a result of the BGSS-RSG commodity decrease approved in the Board's Order in the Energy Strong Matter, a typical residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see no change in their monthly winter bill. Further, a typical residential gas heating customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see no change in their annual bill.

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additional time was needed to complete the review of the Company's proposed BGSS-RSG Commodity Charge and Balancing Charge. However, the Parties also agreed that action with respect to the Company's BGSS-RSG Commodity Charge and Balancing Charge for the 2018-2019 BGSS year, on a provisional basis, was reasonable and therefore agreed to implement the BGSS-RSG Commodity Charge and Balancing Charge as of October 1, 2018, or as soon as possible upon the issuance of a Board Order approving the Stipulation for a Provisional BGSS Rates ("Provisional Stipulation"). The Provisional Stipulation was approved at the Board agenda meeting on September 17, 2018. The BGSS Commodity Charge was provisionally decreased from \$0.368937 per therm (including losses and SUT) to \$0.349579 per therm (including losses and SUT) for service rendered on and after October 1, 2018. The BGSS Balancing Charge was provisionally increased from \$0.090052 per therm (including losses and SUT) to \$0.102825 per therm (including losses and SUT) for service rendered on and after October 1, 2018.

On September 20, 2018, the Board transmitted this matter to the Office of Administrative Law as a contested case where it was subsequently assigned to the Honorable Jacob S. Gertsman, Administrative Law Judge ("ALJ").

ALJ Gertsman held a telephonic prehearing conference on October 29, 2018 during which the Parties discussed a procedural schedule. ALJ Gertsman entered a prehearing order in this matter on December 4, 2018. ALJ Gertsman held a second telephonic prehearing conference on February 21, 2019, during which the parties discussed the status of the case.

Subsequent to the Board's approval of the Provisional BGSS Commodity Charge rate, PSE&G made compliance filings in response to the Board's Orders in the Company's petitions in two matters. First, on October 30, 2018, PSE&G made a compliance filing *In the Matter of 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. 16 Electric and B.P.U.N.J. No. 16 Gas, and for changes in Depreciation Rates, pursuant to N.J.S.A. 48:2-18*

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N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief in BPU Docket Nos. ER18010029 and GR18010030. In this matter, the BGSS-RSG Commodity Charge was decreased from the provisionally approved rate of \$0.349579 per therm (including losses and SUT) to \$0.349129 per therm (including losses and SUT) effective November 1, 2018.

Second, on December 28, 2018, PSE&G made a compliance filing *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 ("GSMP")* under BPU Docket No. GR18070831. As a result of the settlement of this GSMP matter, PSE&G's BGSS-RSG Commodity Charge was further decreased from \$0.349129 per therm (including losses and SUT) to \$0.349059 per therm (including losses and SUT) effective January 1, 2019.

The Parties have completed their review of the Petition and responses to discovery, discussed the matter, and now HEREBY AGREE as follows:

1. The Company's BGSS Commodity Service, Tariff rate BGSS-RSG of \$0.349059 per therm (including losses and SUT) will remain in effect at this time. The Company's Balancing Charge of \$0.102825 per Balancing Use Therm (including losses and SUT) will also remain in effect at this time. The Parties agree that the aforementioned BGSS-RSG Commodity Charge and Balancing Charge shall be deemed final.

2. The current residential customer impact of this action is as follows: MONTHLY – a residential customer using 100 therms per month during the winter months and 610 therms on an annual basis will see no change in their monthly winter bill of \$87.05 (based upon rates in effect on January 1, 2019 and assuming the customer receives BGSS service from PSE&G); ANNUAL – a residential customer using 172 therms per month during the winter months and 1,040 therms on an annual basis will see no change in their monthly winter bill of \$893.03 (based upon rates in effect on January 1, 2019 and assuming the customer receives BGSS service from PSE&G).

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3. In its next BGSS filing, any BGSS and Balancing Charge components that are based on PSE&G's weighted average cost of capital ("WACC") will be updated prospectively to reflect the WACC authorized in the Company's recent base rate case.
4. Attached as Exhibit A to this Stipulation are the Company's tariff sheets that reflect the current BGSS-RSG Commodity Charge and Balancing Charge effective January 1, 2019.
5. The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-PSCHART-1), a sample of which is attached hereto as Exhibit B; and 2) a monthly report of unitized credits to the BGSS (ISG, Cogeneration, TSG-F, Off System Sales, Capacity Releases, Gas to Electric and Supplier Refunds) and the associated dollar amounts (a sample of which is attached hereto as Exhibit C). The chart reflected on Exhibit B is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Exhibit C is to be submitted to the Parties on approximately the 15th of the following month.
6. The Company's future annual BGSS gas cost filings shall continue to comply with the "Annual BGSS Minimum Filing Requirements" ("MFR") adopted by the Board by Order dated June 20, 2003 in Docket No. GR02090702, as modified by the Stipulation and Board Order dated April 25, 2018 in Docket No. GR17060589. The filings shall include an index of the MFRs and shall include the MFRs as attachments. Attached hereto as Exhibit D is a list of the MFRs, as modified in Docket No. GR17060589.
7. The undersigned agree that this Stipulation for Final BGSS Rates contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, this Stipulation shall be null and void, and the parties shall be placed in the same position that they were in immediately prior to its execution.

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8. The undersigned 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.

9. The undersigned Parties further IHEREBY AGREE that this Stipulation for Final BGSS Rates has been made exclusively for the purpose of this proceeding and that this Stipulation, in total or specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation for the Final BGSS-RSG Commodity Charge and Balancing Charge.

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PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

STEFANIE A. BRAND
DIRECTOR,
DIVISION OF RATE COUNSEL

BY: Matthew Weissman
Matthew M. Weissman
General State Regulatory Counsel

BY: Sarah H. Steindel
Sarah H. Steindel
Assistant Deputy Rate Counsel

DATED: February 28, 2019

DATED: March 11, 2019

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

BY: Enna Yao Xiao
Enna Yao Xiao
Deputy Attorney General

DATED: March 9, 2019

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 54

B.P.U.N.J. No. 16 GAS

**Superseding
Original Sheet No. 54**

**BGSS-RSG
BASIC GAS SUPPLY SERVICE-RSG
COMMODITY CHARGES APPLICABLE TO RATE SCHEDULE RSG
(Per Therm)**

Estimated Non-Gulf Coast Cost of Gas \$ 0.056071

Estimated Gulf Coast Cost of Gas 0.250273
 Adjustment to Gulf Coast Cost of Gas 0.000000
 Prior period (over) or under recovery 0.014480
 Adjusted Cost of Gas 0.320824

Commodity Charge after application of losses: (Loss Factor = 2.0%)..... \$ 0.327371

Commodity Charge including New Jersey Sales and Use Tax (SUT) \$ 0.349059

The above Commodity Charge will be established on a level annualized basis immediately prior to the winter season of each year for the succeeding twelve-month period. The estimated average Non-Gulf and Gulf Coast Cost of Gas will be adjusted for any under- or over-recovery together with applicable interest thereon which may have occurred during the operation of the Company's previously approved Commodity Charge filing. Further, the Company will be permitted a limited self-implementing increase to the Commodity Charge on December 1 and February 1 of each year. These limited self-implementing increases, if applied, are to be in accordance with a Board of Public Utilities approved methodology. Commodity Charge decreases would be permitted at any time if applicable.

The difference between actual costs and Public Service's recovery of these costs shall be determined monthly. If actual costs exceed the recovery of these costs, an underrecovery or a negative balance will result. If the recovery of these costs exceeds actual costs, an overrecovery or a positive balance will result. Interest shall be applied monthly to the average monthly cumulative deferred balance, positive or negative, from the beginning to the end of the annual period. Monthly interest on negative deferred balances (underrecoveries) shall be netted against monthly interest on positive deferred balances (overrecoveries) for the annual period. A cumulative net positive interest balance at the end of the annual period is owed to customers and shall be returned to customers in the next annual period. A cumulative net negative interest balance shall be zeroed out at the end of the annual period. The sum of the calculated monthly interests shall be added to the overrecovery balance or subtracted from the underrecovery balance at the end of the annual period. The positive interest balance shall be rolled into the beginning under- or over-recovery balance of the subsequent annual period.

Pursuant to the Board's January 6, 2003 Order approving the BGSS price structure under Docket No. GX01050304 and the BGSS Pricing Proposal appended as Attachment A to and approved in that Order, Public Service Electric and Gas Company may issue a bill credit for its BGSS-RSG customers as detailed below.

Effective	BGSS-RSG Credit (per therm)	BGSS-RSG Credit including SUT (per therm)
April 1, 2018 through April 30, 2018	(\$0.140680)	(\$0.150000)
May 1, 2018	\$0.000000	\$0.000000

Date of issue: December 28, 2018 Effective: January 1, 2019
 Issued by SCOTT S. JENNINGS, Vice President Finance -- PSE&G
 80 Park Plaza, Newark, New Jersey 07102
 Filed pursuant to Order of Board of Public Utilities dated December 18, 2018
 in Docket No. GR18070831

Exhibit A
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 65

B.P.U.N.J. No. 16 GAS

**Superseding
Original Sheet No. 65**

**RATE SCHEDULE RSG
RESIDENTIAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm delivery service for residential purposes. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

DELIVERY CHARGES:

Service Charge:

\$8.08 in each month [\$8.62 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.345322	\$0.368200	per therm

Balancing Charge:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.096436	\$0.102825	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Margin Adjustment Charge:

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs as approved by the Board. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

Weather Normalization Charge:

This charge is designed to adjust base rate recoveries to offset the effects of abnormal weather on sales. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period. Refer to the Weather Normalization Charge sheet of this Tariff for the current charge.

The Weather Normalization Charge will be combined with the Balancing Charge for billing.

Date of Issue: December 28, 2018

Effective: January 1, 2019

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 72

Superseding

B.P.U.N.J. No. 16 GAS

Original Sheet No. 72

**RATE SCHEDULE GSG
GENERAL SERVICE****APPLICABLE TO USE OF SERVICE FOR:**

Firm delivery service for general purposes where: 1) customer does not qualify for RSG and 2) customer's usage does not exceed 3,000 therms in any month. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

DELIVERY CHARGES:**Service Charge:**

\$14.50 in each month [\$15.46 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

<u>Pre-July 14, 1997 *</u>		<u>All Others</u>		
<u>Charge</u>	<u>Charge Including SUT</u>	<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.280009	\$0.298560	\$0.280009	\$0.298560	per therm

* Applicable to customers who have taken TPS supplied commodity service continuously since July 14, 1997.

Balancing Charge:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.096436	\$0.102825	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Margin Adjustment Charge:

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs as approved by the Board. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 79

B.P.U.N.J. No. 16 GAS

Superseding
Original Sheet No. 79

**RATE SCHEDULE LVG
LARGE VOLUME SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm delivery service for general purposes. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

DELIVERY CHARGES:

Service Charge:

\$128.76 in each month [\$137.29 including New Jersey Sales and Use Tax (SUT)].

Demand Charge (Applicable in the months of November through March):

<u>Charge</u>	<u>Charge Including SUT</u>	
\$3.9207	\$4.1804	per Demand Therm

Distribution Charges:

<u>Per therm for the first 1,000 therms used in each month</u>		<u>Per therm in excess of 1,000 therms used in each month</u>	
<u>Charges</u>	<u>Charges Including SUT</u>	<u>Charges</u>	<u>Charges Including SUT</u>
\$0.039047	\$0.041634	\$0.042397	\$0.045206

Balancing Charge:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.096436	\$0.102825	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Date of Issue: December 28, 2018

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY
B.P.U.N.J. No. 16 GAS

First Revised Sheet No. 112A
Superseding
Original Sheet No. 112A

RATE SCHEDULE CSG
CONTRACT SERVICE
(Continued)

ECONOMICALLY VIABLE BYPASS
DELIVERY CHARGES:

Service Charge:

\$689.62 in each month [\$735.31 including New Jersey Sales and Use Tax (SUT)]

Distribution Charge:

Net Alternative Delivery Cost multiplied by the applicable Net Alternative Delivery Cost Factor divided by the Contracted Monthly Therms rounded to the nearest \$0.000000 per therm.

Maintenance Charges:

Equals the Alternative Delivery Cost multiplied by the applicable Alternative Delivery Cost Factor divided by the Contract Monthly Therms rounded to the nearest \$0.000000 per therm.

Plus any customer site-specific ongoing or continuing cost not directly related to the operation, maintenance or inspection of the customer's planned by-pass pipeline. This shall include, but not be limited to, periodic payments for rights-of-way, easements, pipeline cost differentials, permits or other such costs. These charges shall be expressed on a monthly levelized basis over the term of service.

Public Service will also take into consideration any operational or deliverability differences that would be reasonably expected between the pipeline and/or service over Public Service's distribution system in determining Delivery Charges. In no event shall the Delivery Charges be lower than an amount sufficient to generate a return on the capital investments made by Public Service and recovery of marginal and embedded costs, including depreciation, to provide service to the customer over the term of each CSG agreement.

Balancing Charge:

Applicable only if the customer is provided Public Service's Basic Gas Supply Service – Firm (BGSS-F) default service.

<u>Charge</u>	<u>Charge</u>	
	<u>Including SUT</u>	
\$0.096436	\$0.102825	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by government. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Societal Benefits Charge. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge and applicable exemptions.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs as approved by the Board. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Green Programs Recovery Charge. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge and applicable exceptions.

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**S-PSCHART-1 -- RESTATED FOR PURCHASES NOT SENDOUT
BGSS NYMEX Update Report
as of Feb 4, 2019**

<u>Month</u>	<u>a</u>	<u>b</u>	<u>c = b - a</u>		<u>d</u>	<u>e</u>	<u>f</u>	<u>g = e - f</u>		<u>h = c x g</u>
	<u>BGSS</u>	<u>NYMEX</u>	<u>Incr/</u>	<u>% Chg</u>	<u>Sales</u>	<u>Receipts</u>	<u>Hedged</u>	<u>Unhedged</u>	<u>Change in</u>	
			<u>(Decr)</u>		<u>forecast (dths)</u>	<u>(dths)</u>	<u>volume (dths)</u>	<u>volume (dths)</u>	<u>value unhedged</u>	
Oct-17	\$3.414	\$2.974	(\$0.440)		5,052	10,261	4,903	5,358	(\$2,358)	
Nov-17	\$3.461	\$2.752	(\$0.709)		16,003	12,738	6,771	5,967	(\$4,231)	
Dec-17	\$3.580	\$3.074	(\$0.506)		26,698	18,660	6,997	11,664	(\$5,902)	
Jan-18	\$3.655	\$2.738	(\$0.917)		29,547	20,801	6,997	13,804	(\$12,658)	
Feb-18	\$3.618	\$3.631	\$0.013		19,097	11,763	6,319	5,443	\$71	
Mar-18	\$3.520	\$2.639	(\$0.881)		21,727	10,719	6,997	3,723	(\$3,280)	
Apr-18	\$2.955	\$2.691	(\$0.264)		12,861	11,782	4,745	7,037	(\$1,858)	
May-18	\$2.821	\$2.821	\$0.000		4,296	10,835	4,903	5,932	\$0	
Jun-18	\$2.814	\$2.875	\$0.061		3,320	8,887	4,745	4,142	\$253	
Jul-18	\$2.828	\$2.996	\$0.168		2,808	9,308	4,903	4,405	\$740	
Aug-18	\$2.836	\$2.822	(\$0.014)		2,662	8,831	4,903	3,928	(\$55)	
Sep-18	\$2.822	\$2.895	\$0.073		2,962	9,140	4,745	4,395	\$321	
Avg Total \$	\$3.194	\$2.909	(\$0.285)	-8.9%	147,032	143,725	67,929	75,797	(\$28,957)	
Oct-18	\$2.829	\$3.021	\$0.192		7,944	13,764	4,903	8,861	\$1,701	
Nov-18	\$2.865	\$3.185	\$0.320		19,024	16,850	6,337	10,513	\$3,364	
Dec-18	\$2.965	\$4.715	\$1.750		23,409	17,927	6,548	11,380	\$19,914	
Jan-19	\$3.047	\$3.642	\$0.595		29,454	16,827	6,548	10,280	\$6,116	
Feb-19	\$3.009	\$2.950	(\$0.059)		24,254	11,461	5,914	5,547	(\$327)	
Mar-19	\$2.898	\$2.734	(\$0.164)		19,658	10,988	6,548	4,440	(\$728)	
Apr-19	\$2.568	\$2.699	\$0.131		10,931	13,752	4,016	9,736	\$1,275	
May-19	\$2.536	\$2.709	\$0.173		5,440	11,526	4,150	7,376	\$1,276	
Jun-19	\$2.567	\$2.754	\$0.187		3,200	9,412	4,016	5,396	\$1,009	
Jul-19	\$2.600	\$2.799	\$0.199		3,355	10,532	4,150	6,382	\$1,270	
Aug-19	\$2.604	\$2.801	\$0.197		2,933	9,642	4,150	5,493	\$1,082	
Sep-19	\$2.588	\$2.778	\$0.190		3,275	10,267	4,016	6,251	\$1,188	
Avg Total \$	\$2.756	\$3.066	\$0.309	11.2%	152,878	152,948	61,293	91,655	\$37,141	

Footnotes:

- a : Nymex rate used for annual BGSS periodic rate filing
b: Nymex rate as of date of the report
c: increase/Decrease in the Nymex rate compared to rate used for annual BGSS periodic rate filing
d: Sales forecast (includes fuel requirement)
e: Receipt volumes and projections
f: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)
g: 'Unhedged' volume consists of receipts volume forecast less 'hedged' volume
h: Not necessarily representative of a change in under/over-recovery value

EXHIBIT C

Public Service Electric and Gas Company**Unitized Credits to BGSS-RSG****January 2019**

<u>Contribution Category</u>	<u>Credits</u> <u>(\$ 000)</u>	<u>BGSS-RSG</u> <u>Share of the</u> <u>Volumes</u> <u>(MDth)</u>	<u>Unitized</u> <u>Credits</u> <u>(\$/Dth)</u>
Interruptible Service Gas (ISG)	(\$408)	73	(\$5.564)
Cogeneration	\$462	246	\$1.878
Transportation Service Gas-Firm (TSG-F)	\$234	206	\$1.135
Off-System Sales	\$5,455	4,549	\$1.199
Capacity Release	\$1,225	5,445	\$0.225
Gas to Electric	\$1,164	7,437	\$0.157
CSG Non Power	\$167	139	\$1.196
Supplier Refunds	\$39	n/a	n/a

Exhibit D: Annual BGSS Minimum Filing Requirements**1. Motion, Supporting Testimony & Tariff Modifications**

In support of its filing, a GDC should provide supporting testimony which addresses any material events or major factors affecting either the prior period's deferred gas balance or its forecasted BGSS rate. In addition to the associated motion, redlined tariff sheets should be provided for all proposed tariff changes.

2. Computation of Proposed BGSS Rates

A summary schedule should show all of the forecasted BGSS cost components and applicable credits which comprise the basis for the proposed BGSS rates that are to become effective October 1. The cost components and applicable credits should be provided with all material amounts broken out separately. A plain English explanation in narrative form regarding this summary schedule should be provided.

3. Public Notice with Proposed Impact on Bills

A copy of the Company's Public Notice should be provided with details concerning the impact of the proposed BGSS rates on typical gas bills at various winter therm utilization levels.

4. Actual and Forecasted Refund Amounts

Schedules should be provided which show actual and estimated supplier refund amounts for the reconciliation period as well as the estimated supplier refunds for the projected period beginning October 1. The schedule should identify the supplier refunds by month and should provide associated information on the applicable FERC docket involved. A plain English explanation in narrative form regarding these schedules should be provided.

5. Cost of Gas Sendout by Component

Monthly data showing the derivation of all cost components shown on the BGSS Computation Schedule should be provided for the reconciliation and projected periods. The monthly data should also provide detail on applicable volumes by customer classification.

6. **BGSS Contribution and Credit Offsets**

Monthly data showing the derivation of all BGSS cost offsets, including interruptible margins, capacity transactions, pipeline refunds and other credits should be provided for the reconciliation and projected periods. Any applicable FERC Orders will be included. Please include all calculations showing how such offsets were determined. A plain English explanation in narrative form should be provided regarding the above categories.

7. **Over/Under Recovery Comparisons**

Schedules should be provided which show the derivation of the monthly over or under recoveries plus cumulative balances for the reconciliation and projected period. For the reconciliation period, a schedule should also show the calculation of the monthly actual or estimated accrued interest. These schedules should include prospective data shown for the projected period based on the prevailing BGSS rate and, alternatively, based on the requested BGSS rate.

8. **Wholesale Gas Pricing Assumptions**

The GDC should provide schedules which detail the monthly gas prices for the reconciliation and projected periods. The schedules should show the prices utilized in developing the existing BGSS rate and those utilized for projecting the proposed BGSS rate. To the degree third party price indexes or forecasts are the basis for such gas prices, associated documentation should also be provided. A plain English explanation in narrative form regarding these schedules should be provided.

9. **GCUA Recoveries and Balances**

Schedules should be provided that show monthly data for the GCUA since its inception. The data should provide the unamortized balances, recoveries, and accrued interest by month with any associated workpapers.

10. **Historical Service Interruptions**

A schedule should be provided which details any service interruptions during the past 12 months. The schedule should show the dates of the interruptions, the service categories

affected, the number of customers affected and whether each interruption was operational or economic in nature.

11. **Gas Price Hedging Activities**

The GDC should provide copies of its last four quarterly hedging reports as filed with the Board. It should also provide a schedule covering both the reconciliation and projected period which shows monthly gas purchase volume requirements and price hedged volumes broken down into discretionary and non-discretionary components which allow evaluation of compliance with the GDC's established hedging objectives. A plain English explanation in narrative form regarding these hedging activities should be provided.

12. **Storage Gas Volumes, Prices and Utilization**

Schedules should be provided which show the GDC's monthly data for LNG, LPG, and pipeline storage volumes. The schedules should show volumes and dollars for balances, injections, and withdrawals with all data shown on a Dth basis.

13. **Affiliate Gas Supply Transactions**

The GDC's filing should have disclosure of all gas supply and capacity transactions with any affiliates during the reconciliation or forecasted periods. The disclosure should provide the nature, terms, and conditions of any such transactions, the date of the transactions, and evidence that the gas supply or capacity resources transactions were at market rates. PSE&G's filing shall also include a description of the principal terms of the Requirements Contract between PSE&G and PSEG Energy Resources and Trade.

14. **Supply and Demand Data**

Schedules should be provided that show the GDC's firm requirements and gas supplies by component on an annual, heating season and non-heating season basis. The data should be provided for the reconciliation period and the two prior and two prospective annual periods.

15. **Actual Peak Day Supply and Demand**

The GDC should provide data for the five highest demand days, for each of the last three years, showing date, temperature or HDD, firm and interruptible volumes and the sources of supply used to meet the associated volume requirement.

16. **Capacity Contract Changes**

The GDC filing should provide details concerning any changes to its interstate pipeline contracts (entitlements, storage capacities, daily deliverability, transportation, or associated costs) which have been made or occurred during the past 24 months or are planned for the next 12 months. To the degree any significant changes have been made or are planned, a narrative should discuss operational and cost consequences as well as the rationale for the changes.

17. **FERC Pipeline Activities**

The GDC's filing should provide details on any pending FERC dockets which would affect the cost or services received from the GDC's supplying pipelines. The GDC should also provide details concerning its participation in such dockets and a listing of any filings or testimony made by the GDC or on its behalf.

18. **Gas Supply Plan**

PSE&G will prepare and include a Gas Supply Plan with details concerning the Company's objectives, approach, and plans for supplying gas to its residential customers. The Gas Supply Plan will include the following elements:

- *Gas Procurement Objectives* – The Company will provide a general outlook of pricing, supply, availability, pipeline activity in areas that affect deliveries to the PSE&G city gate and the reliability of supply from the major producing areas available to the Company for the upcoming period.
- *Current and forecasted gas service requirements* – The Company will identify its forecasted supply requirements, including information on the Company's current forecasting method utilized in determining its current and future load requirements (i.e. Company's Natural Gas Sales Forecast report). Sources used to develop these forecasts should be cited and available upon request.

- *Projected sources of capacity* – The Company will provide details regarding any changes in pipeline capacity, including entering into new capacity contracts or the termination of any existing pipeline or storage capacity contracts as well as applicable pricing information subject to execution of an appropriate confidentiality agreement if determined necessary by the Company.
- *Affiliate Relationships/Asset Management* – The Company will include detailed information concerning interactions and arrangements between Company and affiliates in its supply, transportation, and storage of gas as well as procurement and management of Company assets. The Company will provide details on how the arm-length relationship is maintained.
- *Hedging Plan and Strategy* – The Company will provide details of its prior and current hedged gas positions and a discussion of the results of its hedged gas positions for the prior and forecasted future periods. In addition, the Company will identify how it utilized storage and flowing gas in its plan and any other relevant factors that influenced the Company's purchase plan.
- *Capacity Releases/Off-System Sales* – The Company will provide a summary of prior-period capacity release and off-system sales and an estimate of these activities for the future period. The Company will include its assessment of the value of its capacity and sales potential, as well as an assessment of market conditions for the prior period.

The filing shall also include a listing of all existing pipeline and storage capacity contracts for which the Company has given notice to extend or terminate during the previous 12 months, and all contracts that were extended under evergreen provisions during the same period.