

PSE&G MAC 2018 PETITION

On June 1, 2018, PSE&G filed a petition ("June 2018 Petition") with the Board seeking authority to adjust its MAC. In the June 2018 Petition, the Company represented that for the period ending April 2018, the net MAC balance including cumulative interest is over-recovered by \$14.4 million. The Company's forecasted MAC balance for the period ending September 2018 was an over-collected balance of \$25.32 million including interest. The MAC rate, including Sales and Use Tax ("SUT"), would change from a credit rate of \$0.006758 per therm to a credit rate of \$0.010873 per therm, a decrease of 0.004115 per therm. The typical bill impact of the proposed rates to a residential heating customer using 165 therms in a winter month and 1,010 annually would be a decrease in their annual bill from \$879.16 to \$875.06 or \$4.10, approximately 0.47%.

The Company updated the information to include actual data through September 2018, which supported a per therm MAC credit rate of \$0.006598 per therm. However, since the change was negligible, the Company proposed maintaining the current MAC credit of \$0.006758 per therm.

STIPULATION

Following a review of the June 2018 Petition, updates thereto, and discovery, on March 7, 2019, the Parties executed the Stipulation, which provides for the following:²

1. The Company's MAC rate currently in effect remains unchanged to reflect a rate of (\$0.006758), including SUT per therm subject to interest on any net over or under-recovered MAC balance. Interest based on the seven-year Treasuries plus sixty (60) basis points is to be adjusted August 1 of each year, on any net over or under-recovered MAC balance.³

DISCUSSION AND FINDINGS

Having reviewed the record in this matter, including the June 2018 Petition, updates thereto, and the Stipulation, the Board **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. Therefore, the Board **HEREBY FINDS** the attached Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES** the maintenance of the Company's MAC per therm credit rate of \$0.006758, inclusive of SUT. Such rate shall remain in effect until changed by further Order. Any net over-recovered MAC balance at the end of the MAC period shall be subject to refund with interest. The Company is **HEREBY DIRECTED** to file tariffs consistent with the Board's Order by April 15, 2019.

² Although described in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

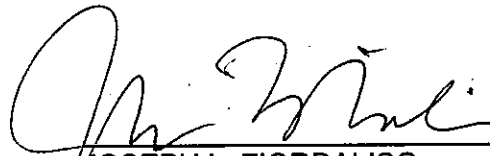
³ Paragraph 12 of the Board's July 9, 2010 Order in BPU Docket No. GR09050422 directs that "[t]he Prospective MAC Balance will accrue two-way interest in the same manner as the existing MAC balance."

The Company's costs, including those related to the MAC, will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any such audit.

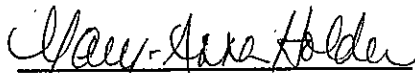
The effective date of this Order is April 8, 2019.

DATED: 3/29/19

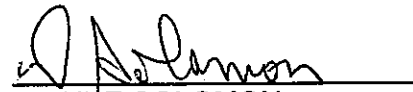
BOARD OF PUBLIC UTILITIES
BY:



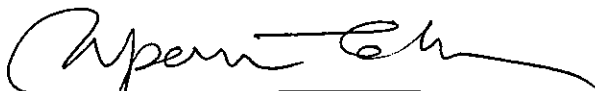
JOSEPH L. FIORDALISO
PRESIDENT



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 THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS
COMPANY'S 2018 ANNUAL MARGIN ADJUSTMENT CHARGE ("MAC")
DOCKET NO. GR18060605

SERVICE LIST

Public Service Electric & Gas Company

PSE&G Services Corporation
80 Park Plaza, T-5
P.O Box 570
Newark, NJ 07102

Matthew M. Weissman Esq.
matthew.weissman@pseg.com

Justin Incardone, Esq
justin.incardone@pseg.com

Caitlyn White
caitlyn.White@pseg.com

Christina Mulligan
chistina.mulligan@pseg.com

Department of Law & Public Safety

Post Office Box 45029
Newark, NJ 07101-45029

Patricia Krogman
patricia.krogman@law.njoag.gov

Emma Xiao
emma.xiao@law.njoag.gov

Geoffrey Gersten, DAG
geoffrey.gersten@law.njoag.gov

Peter Van Brundt, DAG
peter.vanbrundt@law.njoag.gov

Board of Public Utilities

Post Office Box 350
Trenton, NJ 08625-0350

Aida Camacho-Welch, Secretary
board.secretary@bpu.nj.gov

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

Kevin Moss, Bureau Chief
Division of Energy
kevin.moss@bpu.nj.gov

Oneil Hamilton
Division of Energy
oneil.hamilton@bpu.nj.gov

Ilene Lampitt, Esq.
Counsel's Office
ilene.lampitt@bpu.nj.gov

New Jersey Division of Rate Counsel

Division of Rate Counsel
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov

Brian Lipman, Esq.
blipman@rpa.nj.gov

Sarah Steindel, Esq.
ssteinde@rpa.nj.gov

Felicia Thomas-Friel, Esq.
ftthomas@rpa.nj.gov

Justin B. Incardone
Associate General Regulatory Counsel

Law Department
80 Park Plaza, T-5G, Newark, New Jersey 07102-4194
Tel: 973.430.6163 fax: 973.430.5983
email: Justin.Incardone@pseg.com



March 7, 2019

In the Matter of the Petition of
Public Service Electric and Gas Company's
2018 Annual Margin Adjustment Charge ("MAC")

BPU Docket No. GR18060605

VIA E-MAIL & OVERNIGHT DELIVERY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 3rd Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Attached please find the fully executed Stipulation (of which 10 copies are enclosed) in the above-referenced matter. The following parties have signed the Stipulation: Public Service Electric and Gas Company, the Staff of the New Jersey Board of Public Utilities, and the New Jersey Division of Rate Counsel.

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

Very truly yours,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line extending to the right.

Justin B. Incardone

C Attached Service List (electronic only)

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

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

DAG

Patricia A. Krogman DAG
NJ Dept of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
(973) 648-3441
patricia.krogman@dol.lps.state.nj.us

DAG

Emma Xiao DAG
NJ Dept of Law & Public Safety
Division of Law
124 Halsey Street, 2nd Floor
Newark NJ 07101
emma.xiao@law.njoag.gov

PSE&G

Christina Mulligan
PSEG Services Corporation
80 Park Plaza, T8
P.O. Box 570
Newark NJ 07102
(973) 430-6273
Christina.Mulligan@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

BPU

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

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

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

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

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

Justin Incardone Esq.
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-6163
justin.incardone@pseg.com

PSE&G

Caitlyn White
PSEG Services Corporation
80 Park Plaza, T-5
P.O. Box 570
Newark NJ 07102
(973)-430-5659
caitlyn.white@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

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

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

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.nj.gov

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.nj.gov

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.nj.gov

Rate Counsel Consultant

Andrea Crane
The Columbia Group, Inc.
2805 East Oakland Park Blvd., #401
Ft. Lauderdale FL 33306
203-917-9709
ctcolumbia@aol.com

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF PUBLIC SERVICE)	STIPULATION OF
ELECTRIC AND GAS COMPANY'S 2018)	SETTLEMENT FOR
ANNUAL MARGIN ADJUSTMENT CHARGE)	MARGIN
("MAC"))	ADJUSTMENT CHARGE
)	BPU DOCKET NO. GR18060605

APPEARANCES:

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

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, **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 ("Public Service" or "Company") made a filing with the New Jersey Board of Public Utilities ("Board") in the above-referenced matter, recommending a Margin Adjustment Charge ("MAC") rate for firm customers of (\$0.010873) per therm (*i.e.*, a credit of \$0.010873), including New Jersey Sales and Use Tax ("SUT").

By way of background, on January 9, 2002, as a result of the Board's Order in Public Service's gas base rate case under BPU Docket No. GR01050328, the MAC was implemented to credit the net revenues associated with the rate schedule Non-Firm Transportation Gas Service ("TSG-NF") to customers on Rate Schedules Residential

Service Gas (“RSG”), General Service Gas (“GSG”), Large Volume Service Gas (“LVG”), Street Lighting Gas (“SLG”), and Firm Transportation Gas Service (“TSG-F”). The current MAC is in accordance with the Board’s Order dated February 28, 2018 in Docket No. GR17060593.

In the Company’s June 1, 2018 filing, Public Service represented that the current MAC balance supported a newly calculated rate of (\$0.010873) per therm, including SUT, that would result in a minor rate decrease of \$0.004115 per therm from the current rate of (\$0.006758) per therm, including SUT. The filing was subsequently updated with actual data through September 2018 that supported a rate of (\$0.006598) per therm including SUT. However, since this newly calculated rate would result in an increase that was not publically noticed by the Company, Public Service proposes maintaining the current MAC rate of (\$0.006758), including SUT of 6.625% as of January 1, 2018.

The Parties agree that the current MAC rate is reasonable at this time and
HEREBY AGREE as follows:

1. The Company’s MAC rate currently in effect remain unchanged to reflect a rate of (\$0.006758), including SUT per therm subject to interest on any net over or under-recovered MAC balance. Interest based on the seven-year Treasuries plus sixty (60)

basis points is to be adjusted August 1 of each year, on any net over or under-recovered MAC balance.¹

2. The undersigned agree that this Settlement 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 Settlement is not accepted and approved by the Board, this Settlement shall be null and void, and the parties shall be placed in the same position that they were in immediately prior to its execution. More particularly, in the event this Settlement is not adopted in its entirety by the Board, then any party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Settlement as though this Settlement had not been signed.


3. 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.

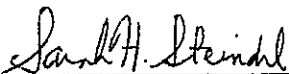
4. The undersigned parties further HEREBY AGREE that this Settlement has been made exclusively for the purpose of this proceeding and that this Settlement, in total or specific item is in no way binding upon them in any other proceeding, except to enforce the terms of this Settlement.

¹ Paragraph 12 of the Board's July 9, 2010 Order in BPU Docket No. GR09050422 directs that "[t]he Prospective MAC Balance will accrue two-way interest in the same manner as the existing MAC balance."

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

STEFANIE A. BRAND
DIRECTOR,
DIVISION OF RATE COUNSEL


BY: 
Justin B. Incardone
Associate General Regulatory Counsel

BY: 
Sarah H. Steindel
Assistant Deputy Rate Counsel

DATED: February 25, 2019

DATED: ^{March} February 7, 2019

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

BY: 
Emma Yao Xiao
Deputy Attorney General

DATED: February 28, 2019