



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY TO)
REVISE ITS WEATHER NORMALIZATION)
CHARGE FOR THE 2019-2020 ANNUAL PERIOD)
DECISION AND ORDER)
APPROVING STIPULATION FOR)
FINAL WNC RATES)
DOCKET NO. GR19060761)

Parties of Record:

Matthew M. 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 a Stipulation for Final Weather Normalization Charge Rate (“Stipulation”) executed by Public Service Electric and Gas Company (“PSE&G” or “Company”), Board Staff, and the New Jersey Division of Rate Counsel (collectively, “Parties”) intended to resolve the Company’s requests related to the above docketed matter.

BACKGROUND

PSE&G’s Weather Normalization Clause (“WNC”) tariff was approved by the Board as part of the stipulation of settlement of the Company’s 2009 base rate case.¹ The WNC tariff requires the Company to calculate the level by which its margin revenues² differ from what would have resulted if normal weather³ occurred during the prior October through May period (“Winter Period”).

On June 27, 2019, PSE&G filed a petition with the Board requesting approval to return \$8,251,009 through its Weather Normalization Charge (“WNC”) over the 2019-2020 Winter Period, i.e., October 1 through May 31 (“2019 WNC Petition”). As part of the 2019 WNC Petition, the Company proposed a WNC rate of \$0.004800 [\$0.005118 including New Jersey Sales and Use Tax (“SUT”)] per balancing therm, to be recovered over the 2019-2020 Winter Period. The WNC rate is applicable to Rate Schedules Residential Service Gas (“RSG”), General Service Gas (“GSG”) and Large Volume Gas (“LVG”), as reflected in B.P.U.N.J. No. 16 Gas Tariff sheet Nos.

¹ In re the Petition of PSE&G for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service, BPU Docket No. GR09050422, Order dated July 10, 2010.

² Margin revenues are distribution revenues from relevant rate classes’ per therm charges.

³ The determination of normal weather is based upon a 20-year rolling average of heating degree days for each of the Winter Period months.

45, 46, and 47 (“WNC Tariff”).⁴ Any excess or deficiency in margin revenues when compared to normal will subsequently be credited or charged to customers over the 2020-2021 Winter Period.

In the Company’s 2019-20 Basic Gas Supply Service (“BGSS”) filing submitted on June 1, 2019, in Docket No. GR19060699, PSE&G proposed an adjustment to its Balancing Charge, which includes changing the balancing period from five (5) billing months (November through March) to eight (8) billing months (October through May). The proposed WNC was based upon the recommended eight (8) month balancing period.

The Company is required to calculate, at the end of each Winter Period, the level by which margin revenues differ from what would have resulted if normal weather occurred. The base level of normal degree days for the 2018-2019 Winter Period is defined in the Company’s WNC Tariff.

In accordance with the Company’s WNC Tariff, PSE&G represented that it trued-up the Degree Day Consumption Factors utilized in the determination of the proposed WNC at the end of the Winter Period and that the revised tariff sheets reflect updated Degree Day Consumption Factors for the 2019-2020 Winter Period. These calculations, as updated, establish margin revenue over recovery of \$8,341,123. In calculating the request for recovery, the Company made one adjustment to the margin revenue deficiency. Specifically, in the March 2019 Order, the Board approved the collection of \$14,297,150 through the WNC, which was to be recovered 2018-2019 Winter Period. This amount includes \$139,128 from the remaining under-collection from the 2017-2018 Winter Period that was approved to be collected over the 2018-2019 Winter Period. The margin revenue excess of \$8,341,123 minus the under collected balance of \$139,128 equals a total excess of \$8,201,995.

Since the 2019 WNC Petition sought a decrease in rates, public hearings were not necessary or held.

On September 11, 2019, the Board issued an Order in this docket approving a stipulation executed by the Parties.⁵ The September 2019 Provisional Order authorized PSE&G to implement the proposed WNC rate of \$0.005118 per balancing therm, including SUT, on a provisional basis for services rendered on or after October 1, 2019. As a result of the September 2019 Provisional Order, the annual bill of a typical residential customer using 172 therms in a winter month and 1,040 therms on an annual basis would be decreased by \$3.54 or approximately 0.4%.

Subsequent to the issuance of the September 2019 Provisional Order, PSE&G made compliance filings in two (2) matters. First, on September 27, 2019 in response to the Board’s Order in the Company’s petition for Approval of Gas Base Rate Adjustments Pursuant to its Gas System Modernization Program in Docket No. GR19040522.⁶ As a result of GSMP Roll In Order, the Margin Revenue Factors for Rate Schedules RSG, GSG, and LVG were updated in Tariff Sheets No. 46 effective October 1, 2019. Second, on November 22, 2019, in response to the Board’s Order in the

⁴ The Board approved the permanent 2018-2019 PSE&G WNC rate and tariff on March 19, 2019, In re the Petition of PSE&G to Revise Its Weather Normalization Charge for the 2018-2019 Annual Period, BPU Docket No. GR18060675, Order dated March 19, 2019, (“March 2019 Order”).

⁵ In re the Petition of Public Service Electric and Gas Company to Revise its Weather Normalization Charge for the 2019-2020 Annual Period, BPU Docket No. GR19060761, Order dated September 11, 2019, (“September 2019 Provisional Order”).

⁶ 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. GR19040522, Order dated September 27, 2019, (“GSMP Roll In Order”).

Company's petition for Approval of the Gas Base Rate Adjustments Pursuant to the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism ("GSMP II") in Docket No. GR19060766.⁷ As a result of the GSMP II Order, the Margin Revenue Factors for Rate Schedules RSG, GSG, and LVG were updated in Tariff Sheets No. 46 effective December 1, 2019.

On November 1, 2019, the Company updated the filing with actual results for the months of June through September 2019, which resulted in a total WNC balance to be returned of \$8,201,995.

STIPULATION

Following further review and discussion, the Parties entered into the Stipulation on January 27, 2020. The key elements of the Stipulation are as follows⁸:

1. The Parties request the BPU issue an Order confirming as final the return by the Company of \$8,201,995. This amount will be returned during the 2019-2020 Winter Period to PSE&G gas customers who take service through Rate Schedules RSG, GSG, and LVG. Any under- or over-collection reflected in the WNC balance will be used to calculate the weather normalization rate for the 2020-2021 Winter Period in accordance with the terms of the Company's WNC Tariff.
2. The Parties stipulate and request that the BPU approve, as final, PSE&G's WNC credit rate of \$0.004800 without SUT, a credit rate of \$0.005118 including SUT, per balancing term using an eight-month balancing period applicable to Rate Schedules RSG, GSG, and LVG for the 2019-2020 Winter Period. Should the balancing period be altered from the eight billing month methodology to another in the final resolution of the Company's 2019-2020 BGSS-RSG proceeding, the Company will incorporate any such modification in its WNC 2020-2021 annual period filing for implementation in the 2020-2021 balancing period.
3. As a result of the final WNC rate set forth in Attachment A to the Stipulation, a typical residential gas heating customer using 172 therms in a winter month and 1,040 therms annually would experience no change from their current annual bill of \$874.42. This is based upon current Delivery Rates, effective January 1, 2020, and assuming the customer is receiving BGSS from the Company.

DISCUSSION AND FINDING

The Board carefully reviewed the record in this proceeding, including the 2019 WNC Petition and the attached Stipulation. The Board **HEREBY FINDS** the 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 ORDERS** that the existing WNC rate of \$0.005118, inclusive of SUT, remain in effect and shall be deemed the final WNC rate for the 2019-2020 Winter Period.

⁷ In re the Petition of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism, BPU Docket No. GR19060766, Order dated November 13, 2019, ("GSMP II Order").

⁸ Although summarized in this Order, the detailed terms of the Settlement are controlling, subject to the findings and conclusions of this Order.

Agenda Date: 2/19/20
Agenda Item: 2C

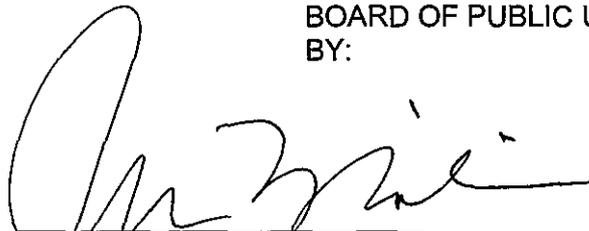
The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order by March 15, 2020.

The Company's costs, including those related to WNC, 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.

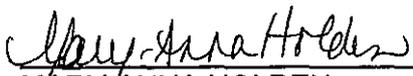
The effective date of this Order is February 29, 2020.

DATED: 2/19/20

BOARD OF PUBLIC UTILITIES
BY:



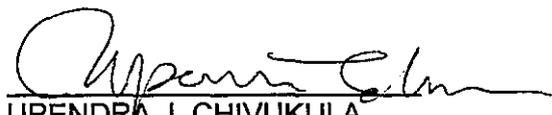
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



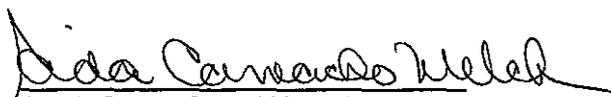
DIANNE SOLOMON
COMMISSIONER



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
TO REVISE ITS WEATHER NORMALIZATION CHARGE FOR THE 2019-2020 ANNUAL
PERIOD - BPU DOCKET No. GR19060761

SERVICE LIST

Division of Rate Counsel

140 East Front Street, 4th Floor
Trenton, NJ 08625-0003

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

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

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

Maura Caroselli, Esq.
mcaroselli@rpa.nj.gov

Brian O. Lipman, Litigation Manager
blipman@rpa.nj.gov

PSE&G

PSEG Services Corporation
80 Park Plaza, T5
Newark, NJ 07102

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

Justin B. Incardone, Esq.
justin.incardone@pseg.com

Caitlyn White
caitlyn.white@pseg.com

Board of Public Utilities

44 South Clinton Avenue, 9th Floor
Trenton, NJ 08625-0350

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

Division of Energy

Stacy Peterson, Director
stacy.peterson@bpu.nj.gov

Oneil Hamilton
oneil.hamilton@bpu.nj.gov

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

Counsel's Office

Heather Weisband, Esq.
heather.weisband@bpu.nj.gov

Division of Law

25 Market Street
Post Office Box 112
Trenton, NJ 08625

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Michael Beck, DAG
michael.beck@law.njoag.gov

Pamela Owen, DAG
pamela.owen@law.njoag.gov

Daren Eppley, DAG
daren.eppley@law.njoag.gov

Justin B. Incardone
Associate Counsel - Regulatory

Law Department
PSEG Services Corporation
80 Park Plaza – T5G, Newark, New Jersey 07102-4194
tel: 973.430.6163 fax: 973.430.5983
email: justin.incardone@pseg.com



January 29, 2020

In The Matter of the Petition of
Public Service Electric and Gas Company
to Revise its Weather Normalization Charge
for the 2019-2020 Annual Period

BPU Docket No. GR19060761

VIA E-MAIL & OVERNIGHT DELIVERY

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

Dear Secretary Camacho-Welch:

Attached please find an original and ten (10) copies of the executed Settlement by all parties that resolves the issues in the above-referenced matter.

Thank you for your consideration to this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to be "Justin B. Incardone", written over a light blue grid background.

Justin B. Incardone

c: Attached Service List (E-Mail)

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

Beverly Tyndell-Broomfield
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08265-0350
(609) 777-1689
beverly.tyndell@bpu.nj.gov

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

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

BPU

Kevin Moss
Board of Public Utilities
44 South Clinton Avenue
Trenton NJ 08625
Kevin.Moss@bpu.nj.gov

BPU

Heather Weisband
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625
heather.weisband@bpu.nj.gov

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

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

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

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

Bernard Smalls
PSEG Services Corporation
80 Park Plaza-T5
Newark NJ 07102-4194
(973) 430-5930
bernard.smalls@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

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

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)	STIPULATION OF
PUBLIC SERVICE ELECTRIC AND GAS)	SETTLEMENT FOR FINAL
COMPANY TO REVISE ITS WEATHER)	WEATHER
NORMALIZATION CHARGE (WNC))	NORMALIZATION CHARGE
FOR THE 2019-2020 ANNUAL PERIOD)	BPU Dkt. No. GR19060761

APPEARANCES:

Matthew M. Weissman, Esq., Managing Counsel – State Regulatory, 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, **Sarah H. Steindel**, Esq., Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Stefanie A. Brand**, Director)

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey)

On June 26, 2019, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed its Petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting approval to return to customers \$8,251,009 over the 2019-2020 Winter Period (*i.e.*, October 1-May 31). On November 1, 2019, PSE&G updated the filing with actual results for the months of June through September 2019, which resulted in a total WNC balance to be returned of \$8,201,995. (“November Update”). The WNC will be returned to PSE&G gas customers receiving service under Rate Schedules Residential Service (“RSG”), General Service (“GSG”), and Large Volume Gas (“LVG”) during the 2019-2020 Winter Period.

As part of its Petition, PSE&G proposed a WNC credit rate of \$0.004800 without New Jersey Sales and Use Tax (“SUT”), a credit rate of \$0.005118 including SUT per balancing

term using an eight-month balancing period to be consistent with the Company's proposal in its BGSS-RSG proceeding that it filed on May 31, 2019, BPU Docket No. GR19060699.

The WNC Tariff was first approved by the Board on July 9, 2010, as part of the stipulation of settlement of PSE&G's 2009 base rate case. Decision and Order Adopting Initial Decision with Modifications for Gas Decision, *I/M/O the Petition of PSE&G for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service*, Dkt. No. GR09050422 ("July 2010 Order"). The BPU approved the permanent 2018-2019 PSE&G WNC rate and tariff on March 13, 2019. Decision and Order, *I/M/O the Petition of PSE&G to Revise Its Weather Normalization Charge for the 2018-2019 Annual Period*, Dkt. No. GR18060675 (March 13, 2019).

In calculating the proposed WNC, PSE&G represents that it utilized calculations required by the July 2010 Order and reflected in PSE&G's WNC Tariff. Specifically, PSE&G is required to calculate, at the end of each Winter Period, the level by which margin revenues differed from what would have resulted if normal weather had occurred. The base level of normal degree days for the 2018-2019 Winter Period is defined in PSE&G's WNC Tariff. As approved by the Board, any excess or deficiency is to be credited or recovered in the following year during the Winter Period through the WNC.

In accordance with the WNC Tariff, PSE&G represents that it trued-up the Degree Day Consumption Factors utilized in the determination of the proposed WNC at the end of the Winter Period. In addition, the revised WNC Tariff Sheets developed by PSE&G and included in the Petition reflect updated Degree Day Consumption Factors for the 2019-2020 Winter Period.

These calculations, as updated, establish a margin revenue excess of \$8,341,123. In calculating the 2019-2020 WNC request for recovery, PSE&G represents that it has made one adjustment to the margin revenue deficiency in accordance with the WNC Tariff. Specifically, in Docket No. GR18060675, the Board approved the collection of \$14,297,150, which was to be recovered over the 2018-2019 Winter Period. Of that amount, \$139,128 represents the remaining under-collection from the 2017-2018 Winter Period that the Board approved for collection over the 2018-2019 Winter Period based on the November Update. The margin revenue excess of \$8,341,123 net of \$139,128 equals a total excess of \$8,201,995.

On August 30, 2019, PSE&G, Board Staff, and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, the “Parties”) entered into, and filed with the Board, a “Stipulation for Provisional Weather Normalization Charge” (“Provisional Settlement”) with respect to the Company’s WNC for the 2019-2020 Winter Period, which specified a WNC of \$0.004800 without SUT (\$0.005118 including SUT) per balancing term applicable to Rate Schedules RSG, GSG, LVG as reasonable.

The Board, by Order dated September 11, 2019, approved the Provisional Settlement and the provisional rate of \$0.004800 without SUT (\$0.005118 including SUT) per balancing term applicable to Rate Schedules RSG, GSG, and LVG for the 2018-19 Winter Period, effective October 1, 2019. *Decision and Order Approving Stipulation for Provisional WNC Rates*, BPU Dkt. No. GR19060761. The provisional rates were reflected in Gas WNC Tariff Sheet Nos. 45, 46, and 47. The existing tariff sheets, reflecting the Board’s provisional approval of the WNC rate proposed in the Company’s filing, are attached as Attachment A to this Settlement.

Subsequent to the September 11, 2019 provisional approval, PSE&G made compliance filings in two (2) matters. First, the Company made a compliance filing on September 27, 2019, in response to the Board's Order in the Company's petition for Approval of Gas Base Rate Adjustments Pursuant to its Gas System Modernization Program in Docket No. GR19040522. ("April 2019 GSMP Rate Filing"). As a result of the settlement of the April 2019 GSMP Rate Filing, the Margin Revenue Factors for Rate Schedules RSG, GSG, and LVG were updated in Tariff Sheet No. 46, effective October 1, 2019. The second compliance filing was made on November 22, 2019, in response to the Board's Order in the Company's petition for Approval of the Gas Base Rate Adjustments Pursuant to the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism ("GSMP II") in Docket No. GR19060766. As a result of the GSMP II Order, the Margin Revenue Factors for Rate Schedules RSG, GSG, and LVG were updated in Tariff Sheets No. 46 effective December 1, 2019. The update to the Margin Revenue Factors is reflected in Attachment A; however, it has no impact on the Company's request in this matter.

As noted above, on November 1, 2019, PSE&G updated the filing with actual results for the months of June through September 2019, which resulted in a total WNC excess to be returned of \$8,201,995.

STIPULATED MATTERS

- 1) The Parties request the BPU issue an Order confirming as final the return by the Company of \$8,201,995. This amount will be returned during the 2019-2020 Winter Period to PSE&G gas customers who take service through Rate Schedules RSG, GSG, and LVG. Any under- or over-collection reflected in the WNC balance will be used to calculate the weather

normalization rate for the 2020-2021 Winter Period in accordance with the terms of the Company's WNC Tariff.

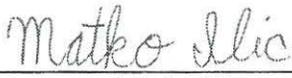
- 2) The Parties stipulate and request that the BPU approve, as final, PSE&G's WNC credit rate of \$0.004800 without SUT, a credit rate of \$0.005118 including SUT, per balancing therm using an eight-month balancing period applicable to Rate Schedules RSG, GSG, and LVG for the 2019-2020 Winter Period. Should the balancing period be altered from the eight billing month methodology to another in the final resolution of the Company's 2019-2020 BGSS-RSG proceeding, the Company will incorporate any such modification in its WNC 2020-2021 annual period filing for implementation in the 2020-2021 balancing period.
- 3) As a result of the final WNC rate set forth in Attachment A, a typical residential gas heating customer using 172 therms in a winter month and 1,040 therms annually would experience no change from their current annual bill of \$874.42. This is based upon current Delivery Rates effective January 1, 2020, and assuming the customer is receiving Basic Gas Supply Service from the Company.
- 4) The Parties agree that this Settlement for the final WNC reflects mutually balancing interests and contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Settlement is not accepted and approved in its entirety 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.

- 5) The Parties further agree that a Board Order approving this Settlement will become effective upon the service of said Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.
- 6) The Parties further agree that this Settlement has been made exclusively for the purpose of this proceeding and that this Settlement, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Settlement.

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

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

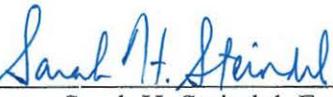
BY: 
Matthew M. Weissman
Managing Counsel – State Regulatory

BY: 
Matko Ilic
Deputy Attorney General

DATED: January 27, 2020

DATED: January 27, 2020

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

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

DATED: January 27, 2020

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 45

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

**Superseding
First Revised Sheet No. 45**

WEATHER NORMALIZATION CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG
(Per Balancing Therm)**

	Weather Normalization Charge	Weather Normalization Charge including SUT
October 1, 2019 through May 31, 2020	\$(0.004800)	\$(0.005118)
June 1, 2020 through September 30, 2020	\$0.000000	\$0.000000

Weather Normalization Charge

This charge shall be applicable to the rate schedules listed above. 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. The weather normalization charge shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Degree Days (DD)

- the difference between 65°F and the mean daily temperature for the day. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day.

2. Actual Calendar Month Degree Days

- the accumulation of the actual Degree Days for each day of a calendar month.

3. Normal Calendar Month Degree Days

- the level of calendar month degree days to which this clause applies.

The normal calendar month Degree Days used in this clause will be the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station at the Newark airport and will be updated annually in the Weather Normalization Clause (WNC) proceeding. The base level of normal degree days for the defined winter period months for the 2019-2020 Winter Period are set forth in the table below:

Normal Degree Days	
Oct - 19	243.01
Nov - 19	516.21
Dec - 19	827.33
Jan - 20	1,002.61
Feb - 20	858.04
Mar - 20	691.71
Apr - 20	357.63
May - 20	123.71

4. Winter Period

- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

Date of Issue: September 27, 2019

Effective: October 1, 2019

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated September 11, 2019
in Docket No. GR19060761

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Fourth Revised Sheet No. 46

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

**Superseding
Third Revised Sheet No. 46**

**WEATHER NORMALIZATION CHARGE
(Continued)**

5. Degree Day Dead Band

- shall be one-half (1/2 %) percent of the sum of the cumulative Normal Calendar Month Degree Days for the Winter Period and shall be allocated to each winter month in the same proportion as the ratio of the normal degree days for that month to the total normal degree days.

6. Degree Day Consumption Factors

- the use per degree day component of the gas sales equations by month used in forecasting firm gas sales for the applicable rate schedules. These factors will be updated annually in the WNC proceeding. Degree day Consumption Factors for the 2019-2020 Winter Period are set forth below and presented as therms per degree day:

Month	RSG-Residential		Commercial			Industrial		
	Heating	Non-Heating	GSG		LVG	GSG		LVG
			Heating	Non-Heating		Heating	Non-Heating	
Oct.-19	147,748	3,466	15,975	836	81,850	557	-	6,700
Nov.-19	233,569	8,816	27,829	2,529	81,850	1,103	127	6,700
Dec.-19	228,514	11,406	49,065	3,510	81,850	1,393	193	6,700
Jan.-20	264,384	12,027	62,788	3,779	82,421	1,927	221	6,580
Feb.-20	270,093	11,928	54,286	3,903	82,421	1,564	230	6,580
Mar.-20	271,716	12,442	55,140	3,962	82,421	2,092	238	6,580
Apr.-20	251,638	12,764	55,446	3,984	82,421	1,358	226	6,580
May-20	182,090	10,707	12,789	3,864	82,421	732	118	6,580

The consumption factors established in advance of each Winter Period shall be based on the forecast number of customers by rate schedule. These factors shall be trued-up at the end of the Winter Period for which the factors apply in order to reflect the actual average number of customers by rate schedule.

7. Margin Revenue Factor

- the weighted average of the Distribution Charges as quoted in the individual rate schedules to which this clause applies net of applicable taxes. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges of each rate schedule to which this clause applies by each rate schedule's percentage of total consumption of all the rate schedules to which this clause applies for the winter period and summing this result for all the rate schedules to which this clause applies. The Margin Revenue Factors shall be redetermined each time new base rates are put into effect.

Margin Revenue Factors:

Rate Schedule RSG	\$0.360706
Rate Schedule GSG	\$0.288299
Rate Schedule LVG	\$0.041979

8. Annual Period

- shall be the 12 consecutive months from October 1 of one calendar year through September 30 of the following calendar year.

9. Average 13 Month Common Equity Balance

- shall be calculated by adding the Net Gas Utility Plant in Service (Gas Plant in Service, excluding plant held for future use and excluding plant for which the Company receives recovery from clause mechanisms that provide for a return on investment outside of base rates, less Accumulated Depreciation Reserve) less Accumulated Deferred Income Taxes plus working capital associated with Materials and Supplies Inventory and Prepayments at the beginning of the Annual Period (i.e., October 1) and the month ending balances for each of the twelve months in the Annual Period divided by thirteen (13), and multiplying by 54% (the equity percentage of the Company's capital structure).

Date of Issue: November 22, 2019

Effective: December 1, 2019

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 13, 2019
in Docket No. GR19060766

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 47

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

**Superseding
First Revised Sheet No. 47**

**WEATHER NORMALIZATION CHARGE
(Continued)**

II. DETERMINATION OF THE WEATHER NORMALIZATION RATE

At the end of the Winter Period during the Annual Period, a calculation shall be made that determines for all months of the Winter Period the level by which margin revenues differed from what would have resulted if normal weather (as determined by reference to the Degree Day Dead Band) occurred. This calculation is made by multiplying the monthly Degree Day Consumption Factor by the difference between Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, and Actual Calendar Month Degree Days and, in turn, multiplying the result by the Margin Revenue Factor. To the extent the Actual Calendar Month Degree Days exceeds Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, an excess of margin revenues exist. To the extent Actual Calendar Month Degree Days were less than Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, a deficiency of marginal revenue exists. The sum of the monthly calculations represents the total revenue excess or deficiency for the Winter Period. If, at the end of the Winter Period of the Annual Period, the degree day variation from normal weather is less than the Degree Day Dead Band, the weather normalization clause will not be in effect.

The WNC shall not operate to permit the Company to recover any portion of a margin revenue deficiency that will cause the Gas Utility to earn in excess of its allowed rate of return on common equity of 9.6% for the Annual Period; any portion which is not recovered shall not be deferred. For purposes of this section, the Gas Utility's rate of return on common equity shall be calculated by dividing the Gas Utility's regulated jurisdictional net income for the Annual Period by the Gas Utility's average 13 month common equity balance for such Annual Period. The Gas Utility's regulated jurisdictional net income shall be calculated by subtracting from total net income of the Gas Utility net income derived from clause mechanisms, currently the Green Programs Recovery Charge, that provide for a return on investment outside of base rates.

The total WNC balance at September 30 of the Annual Period shall be divided by the estimated applicable balancing therm sales from the rate schedules subject to this clause for the Annual Period over which this rate will be in effect, multiplied by a factor to adjust for increases in taxes and assessments. The product of this calculation shall be the Weather Normalization Charge. However, the Weather Normalization Charge will at no time exceed three (3%) percent of the then applicable RSG total per therm rate, including RSG-BGSS charges and 72.91% of the Balancing Charge. To the extent that the effect of this rate cap precludes the Company from fully recovering the WNC balance for the Annual Period, the unrecovered balance will be added to the WNC balance used to calculate the weather normalization rate for the next Winter Period. The Weather Normalization Charge, so calculated, will be in effect for the immediately following Annual Period.

III. TRACKING THE OPERATION OF THE WEATHER NORMALIZATION CLAUSE

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Weather Normalization Charge shall be accumulated for each month of the Winter Period when this charge is in effect and applied against the margin revenue excess or deficiency from the immediately preceding Winter Period and any cumulative balances remaining from prior Winter Periods.

The annual filing for the adjustment to the weather normalization charge will be filed by July 1 of each year.

Date of Issue: September 27, 2019

Effective: October 1, 2019

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated September 11, 2019

in Docket No. GR19060761