



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY TO)
MODIFY ITS MANUFACTURED GAS PLANT (MGP))
REMEDIAION COMPONENT WITHIN ITS)
ELECTRIC SOCIETAL BENEFITS CHARGE (SBC))
AND ITS GAS SBC; DURING THE REMEDIATION)
ADJUSTMENT CHARGE (RAC) 29 PERIOD,)
AUGUST 1, 2020, TO JULY 31, 2021)

DECISION AND ORDER
APPROVING STIPULATION

BPU DOCKET NO. GR22030152

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Danielle Lopez, Esq., on behalf of Public Service Electric and Gas Company

BY THE BOARD:

On March 22, 2022, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking Board approval to modify the Manufactured Gas Plant ("MGP") component within its Societal Benefits Charge ("SBC") to recover MGP costs incurred during the Remediation Adjustment Clause ("RAC") period August 1, 2020 through July 31, 2021 ("RAC 29 Period") ("Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by PSE&G, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") intended to resolve the Company's requests related to the above docketed matter.

BACKGROUND

The RAC allows recovery of reasonably incurred MGP program costs, plus carrying charges by the Company, amortized over a seven (7) year rolling average period. The Company's MGP costs are allocated to gas and electric customers on a 60/40 percent basis. The RAC is a separate component of PSE&G's electric and gas SBC.

PETITION

In the Petition, PSE&G requested approval of net RAC 29 Period expenditures of \$82,350,939, net of a deferred Natural Resource Damage ("NRD") expense of \$4,686, insurance and other

miscellaneous recoveries. PSE&G sought recovery of approximately \$43.971 million for RAC 29 Period and, as a result of the allocation of MGP costs between electric and gas customers, the expenditures totaled approximately \$24.535 million from gas customers and \$19.436 million from electric customers.

As a result of the Company's request, the existing gas and electric MGP Remediation components of the Company's gas and electric SBC would both decrease.¹ The Company proposes a decrease to the gas RAC per therm rate of \$0.012770 to \$0.00933, resulting in a decrease of approximately \$9.85 million to gas revenues.² As proposed, the electric RAC factor would decrease from the current kilowatt-hour ("kWh") rate of \$0.000688 to \$0.000533, a decrease of approximately \$6.16 million to electric revenues.

As the Company's requests in the Petition were decreases, public hearings were neither required nor held.

STIPULATION

Following the review of the Petition and conducting discovery, the Parties executed the Stipulation, which provides for the following:³

1. The current gas RAC of \$0.011977/therm, excluding SUT, should be reduced to \$0.008753/therm, excluding SUT, and the current electric RAC of \$0.000607/kilowatt-hour, excluding SUT and line losses, should be reduced to \$0.000471/kilowatt-hour, excluding SUT and line losses. Tariff sheets consistent with the proposed rate changes are set forth in Exhibit B of the Stipulation in both redline and clean format.
2. The foregoing rates will allow recovery of 1/7 of the RAC 23 through RAC 29 expenditures. Under these rates, the annual bill for a typical residential electric customer using 740 kilowatt-hours per summer month, and 6,920 kilowatt-hours on an annual basis, would see a decrease in their annual bill from \$1,289.20 to \$1,288.20, or \$1.00 or approximately 0.08% based upon current Delivery and Basic Generation Service – Residential Small Commercial Pricing ("BGS-RSCP") supply rates in effect on August 1, 2022, and assuming that the customer receives BGS-RSCP service from PSE&G. A typical residential gas heating customer using 172 therms during a winter month, and 1,040 therms on an annual basis, would see a decrease in their annual bill from \$1,064.62 to \$1,061.04, or \$3.58 or approximately 0.34% based upon current Delivery and Basic Gas Supply Service ("BGSS-RSG") supply rates in effect on August 1, 2022, and assuming that the customer receives BGSS-RSG service from PSE&G. Attached as Exhibit C to the Stipulation is an updated version of Attachment E to the Petition updating the typical bill impacts to reflect rates as of August 1, 2022.

¹ As the Petition requested a decrease to rates, public hearings were not held. In addition, the Board received no written comments.

² All rates quoted herein include sales and use tax ("SUT").

³ Although described at some length 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 conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

3. The Parties agree that the Company's MGP remediation work performed during the RAC 29 Period was prudent and reasonable.
4. The Company represents that the expenditures and rates agreed to in the Stipulation do not include any incentive compensation costs.
5. The Company represents that its Petition does not include any administrative, legal, consulting, or other costs associated with NRD claims. The Parties further agree that PSE&G will have deferred a total of \$780,253 NRD-related MGP costs inclusive of applicable interest through the RAC 29 Period. PSE&G agrees to defer the above-indicated NRD-related MGP costs until such future time as the Board specifically addresses the rate recoverability of NRD-related expenditures through the RAC mechanism. The Parties accordingly stipulate, agree, and request that the Board make no determination in this proceeding as to the reasonableness or the recoverability under the Company's RAC of NRD-related costs. The Parties expressly reserve their rights to argue their respective positions on NRD issues in future proceedings, as appropriate.
6. The Company agrees, as in this and other recent RAC filings, that it will continue to include with its future RAC filings, responses to the minimum filing requirements ("MFRs"), attached to the Stipulation as Exhibit A. Additionally, in the future RAC filings, PSE&G shall not request any late fees or charges that are associated with legal costs recovered through the RAC.

DISCUSSION AND FINDINGS

The Board reviewed the record in this proceeding, including the Petition and the Stipulation. The Board **HEREBY FINDS** that the Company's remediation work performed during the RAC 29 Period, is prudent. The Board **FURTHER FINDS** the Stipulation to be reasonable and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order. Any net over-recovery on the RAC balance at the end of the RAC year shall remain subject to refund with interest.

The Board **HEREBY FINDS** that it is reasonable to change the existing RAC rates, and therefore **HEREBY ORDERS** that the Company's existing gas and electric RAC rates be changed consistent with the proposed rate changes set forth in Exhibit B of the Stipulation, effective for service rendered on and after October 1, 2022.

As a result of the Stipulation, a typical residential gas heating customer using 172 therms in a winter month and 1,040 therms annually, would see an annual decrease in their bill of \$3.58 or 0.34%. For a typical residential electric customer using 740 kWh in a summer month and 6,920 kWh annually, would see an annual decrease in their bill of \$1.00 or 0.08%.

Accordingly, the Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation by September 30, 2022.

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

The effective date of this Order is September 29, 2022.

DATED: September 28, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



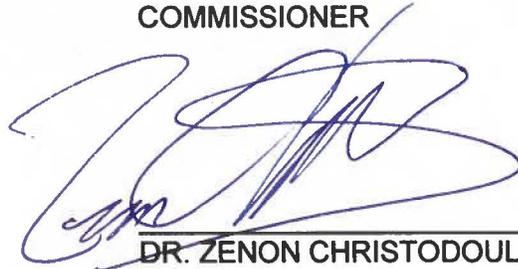
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

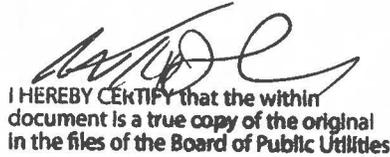


DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:



ROBERT M. GORDON
COMMISSIONER



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
MODIFY ITS MANUFACTURED GAS PLANT (MGP) REMEDIATION COMPONENT WITHIN ITS
ELECTRIC SOCIETAL BENEFITS CHARGE (SBC) AND ITS GAS SBC; DURING THE REMEDIATION
ADJUSTMENT CHARGE (RAC) 29 PERIOD, AUGUST 1, 2020, TO JULY 31, 2021

BPU DOCKET NO. GR22030152

SERVICE LIST

<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Carmen D. Diaz, Acting Board Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Office of General Counsel</u></p> <p>Abe Silverman, Esq., Executive Policy Counsel abe.silverman@bpu.nj.gov</p> <p>Carol Artale, Esq., Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Heather Weisband, Esq., Senior Counsel heather.weisband@bpu.nj.gov</p> <p><u>Division of Energy</u></p> <p>Paul Lupo, Bureau Chief paul.lupo@bpu.nj.gov</p> <p>Ryan Moran ryan.moran@bpu.nj.gov</p> <p>Andrew Tuzzo Andrew.tuzzo@bpu.nj.gov</p> <p><u>New Jersey Division of Law</u> NJ Department of Law and Public Safety Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, P.O. Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov</p> <p>Michael Beck, DAG michael.beck@law.njoag.gov</p>	<p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p> <p>Matko Ilic, DAG matko.ilic@law.njoag.gov</p> <p><u>Public Service Electric and Gas Company</u> 80 Park Plaza, Newark, New Jersey 07102</p> <p>Aaron Karp, Esq. aaron.karp@pseg.com</p> <p>Matthew Weissman, Esq. matthew.weissman@pseg.com</p> <p>Bernard Smalls bernard.smalls@pseg.com</p> <p>Caitlyn White caitlyn.white@pseg.com</p> <p>Michele Falcao michele.falcao@pseg.com</p> <p><u>New Jersey Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli, Esq. mcaroselli@rpa.nj.gov</p> <p>Megan Lupo mlupo@rpa.nj.gov</p> <p>Carlena Morrison cmorrison@rpa.nj.gov</p> <p>Robert Henkes Henkes Consulting 7 Sunset Road Old Greenwich, CT 06870 rhenkes@optonline.net</p>
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Aaron I. Karp
Associate Counsel - Regulatory

Law Department
PSEG Services Corporation
80 Park Plaza – T10
Newark, NJ 07102-4194
T: 973-430-8970
Email: aaron.karp@pseg.com


September 2, 2022

In The Matter Of The Petition Of
Public Service Electric And Gas Company
To Modify Its Manufactured Gas Plant (MGP) Remediation Component
Within Its Electric Societal Benefits Charge (SBC) And Its
Gas SBC; During The Remediation Adjustment Charge (RAC) 29
Period, August 1, 2020, to July 31, 2021
BPU Docket No. GR22030152

VIA E-FILING & ELECTRONIC MAIL

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

Dear Acting Secretary Diaz:

Attached please find the fully executed Stipulation in the above-referenced case resolving all aspects of this matter. All the 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.

Consistent with the Order issued by the Board in connection with In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being filed electronically with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

Very truly yours,



Aaron I. Karp

cc: Service List (via email)

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

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY TO MODIFY ITS MANUFACTURED GAS PLANT (MGP) REMEDIATION COMPONENT WITHIN ITS ELECTRIC SOCIETAL BENEFITS CHARGE (SBC) AND ITS GAS SBC; DURING THE REMEDIATION ADJUSTMENT CHARGE (RAC) 29 PERIOD, AUGUST 1, 2020 TO JULY 31, 2021	STIPULATION OF SETTLEMENT BPU DOCKET NO. GR22030152
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APPEARANCES:

Matthew M. Weissman, Esq., Managing Counsel - State Regulatory, and **Aaron I. Karp, Esq.**, Associate Counsel - Regulatory, for the Petitioner, Public Service Electric and Gas Company

Maura Caroselli, Esq., Deputy Rate Counsel and **Megan Lupo, Esq.**, Assistant Deputy Rate Counsel, New Jersey Division of Rate Counsel (**Brian O. Lipman**, Director)

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Acting Attorney General of New Jersey)

On March 22, 2022, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking review and approval of PSE&G’s Manufactured Gas Plant (“MGP”) remediation work associated with the clean-up of PSE&G’s former MGP sites performed during the Remediation Adjustment Charge (“RAC”) period, August 1, 2020 through July 31, 2021 (“RAC 29 Period”) (“Petition”). The Petition sought a finding that the RAC 29 Period costs were prudent and that the resulting RAC 29 costs are reasonable and appropriate for rate recovery.

The Petition sought authority to establish rates to recover the true-up of RAC 28 costs, 1/7 of each of the RAC 23 through RAC 29 expenditures, and the carrying costs on its unamortized

remediation program balance. The Petition further sought an Order finding that “its RAC activities conducted and Program Costs incurred during the RAC 29 Period, August 1, 2020 through July 31, 2021, are reasonable and are appropriate for recovery” and that such Order find that it is reasonable to decrease the existing gas and electric MGP remediation component of the Societal Benefits Charge (“SBC”). These components are historically referred to as the electric and gas RAC.

The Company incurred gross expenditures of \$88,443,900 in remediation costs during the RAC 29 Period. This amount was reduced by insurance proceeds of \$6,000,000, adjusted by \$4,686 of adjusted Natural Resource Damage (“NRD”)-related interest costs incurred during RAC 29, and reduced by miscellaneous recoveries of \$88,274, resulting in net expenditures of \$82,350,939 for the RAC 29 Period.¹

The RAC annual recovery mechanism includes carrying charges on the unamortized balance.²

The Petition provides RAC costs to gas and electric customers on a 60/40 percent basis pursuant to Board directives, and RAC costs are recovered over a rolling seven (7)-year period.³

After reviewing and analyzing the Petition, conducting discovery, and reviewing responses to discovery, Board Staff (“Staff”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and PSE&G (collectively, “Parties”), stipulate and agree as follows:

1. The current gas RAC of \$0.011977/therm, excluding New Jersey Sales and Use Tax (“SUT”), should be reduced to \$0.008753/therm, excluding SUT, and the current electric

¹ See Petition at p.1, Attachment A-3.

² See Petition at p.1, Attachment A-2.

³ As noted in the September 15, 1993 NJ BPU Order in Docket No. ER91111698J.

RAC of \$0.000607/kilowatt-hour, excluding SUT and line losses, should be reduced to \$0.000471/kilowatt-hour, excluding SUT and line losses. Tariff sheets consistent with the proposed rate changes are set forth in Exhibit B in both redline and clean format.

2. The foregoing rates will allow recovery of 1/7 of the RAC 23 through RAC 29 expenditures. Under these rates, the annual bill for a typical residential electric customer using 740 kilowatt-hours per summer month, and 6,920 kilowatt-hours on an annual basis, would see a decrease in their annual bill from \$1,289.20 to \$1,288.20, or \$1.00 or approximately 0.08% based upon current Delivery and Basic Generation Service – Residential Small Commercial Pricing (“BGS-RSCP”) supply rates in effect on August 1, 2022, and assuming that the customer receives BGS-RSCP service from PSE&G. A typical residential gas heating customer using 172 therms during a winter month, and 1,040 therms on an annual basis, would see a decrease in their annual bill from \$1,064.62 to \$1,061.04, or \$3.58 or approximately 0.34% based upon current Delivery and Basic Gas Supply Service (“BGSS-RSG”) supply rates in effect on August 1, 2022, and assuming that the customer receives BGSS-RSG service from PSE&G. Attached as Exhibit C is an updated version of Attachment E to the Petition updating the typical bill impacts to reflect rates as of August 1, 2022.
3. The Parties agree that the Company’s MGP remediation work performed during the RAC 29 Period was prudent and reasonable.
4. The Company represents that the expenditures and rates agreed to in this Stipulation do not include any incentive compensation costs.
5. The Company represents that its Petition does not include any administrative, legal, consulting, or other costs associated with NRD claims. The Parties further agree that PSE&G

will have deferred a total of \$780,253 NRD-related MGP costs inclusive of applicable interest through the RAC 29 Period. PSE&G agrees to defer the above-indicated NRD-related MGP costs until such future time as the Board specifically addresses the rate recoverability of NRD-related expenditures through the RAC mechanism. The Parties accordingly stipulate, agree, and request that the Board make no determination in this proceeding as to the reasonableness or the recoverability under the Company's RAC of NRD-related costs. The Parties expressly reserve their rights to argue their respective positions on NRD issues in future proceedings, as appropriate.

6. The Company agrees, as in this and other recent RAC filings, that it will continue to include with its future RAC filings, responses to the minimum filing requirements ("MFRs"), attached to this Stipulation as Exhibit A. Additionally, in the future RAC filings, PSE&G shall not request any late fees or charges that are associated with legal costs recovered through the RAC.
7. The Parties agree that this Stipulation of Settlement ("Stipulation") is being entered into exclusively for the purpose of resolving the issues in this matter. The Parties further agree that this Stipulation resolves all issues regarding the Petition except as specifically provided herein.
8. The Parties agree that this Stipulation was negotiated and agreed to in its entirety with each section being mutually dependent on approval of all other sections. Therefore, if the Board modifies any of the terms of this Stipulation, each party is given the option, before implementation of any different rate or terms in this case, to accept the change or to resume the proceeding as if no agreement had been reached. If this proceeding is resumed, each party is given the right to return to the position it was in before this Stipulation was executed.

9. The Parties agree that the Company's MGP remediation costs will remain subject to audit by the Board. Additionally, the Company periodically conducts audits of these expenses, similar to its other expenses.
10. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposedly underlying any agreement provided herein in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation. All rates remain subject to audit by the Board.

[SIGNATURE PAGE FOLLOWS]

PUBLIC SERVICE ELECTRIC
AND GAS COMPANY

MATTHEW J. PLATKIN
ACTING ATTORNEY GENERAL OF
NEW JERSEY
Attorney for the Staff of the
New Jersey Board of Public Utilities

By: Aaron I. Karp
Aaron I. Karp, Esq.
Associate Counsel - Regulatory

By: Matko Ilic
Matko Ilic
Deputy Attorney General

DATED: September 1, 2022

DATED: September 1, 2022

BRIAN O. LIPMAN, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

By: Megan Luppo
Megan Luppo, Esq.
Assistant Deputy Rate Counsel

DATED: September 2, 2022

EXHIBIT A

PSE&G RAC Minimum Filing Requirements

As part of the Company's annual RAC filing, the Company will provide responses to the following Minimum Filing Requirements ("MFRs"). The requests, unless noted otherwise, relate to the historical 12-month RAC period.

1. The Company currently provides a vendor summary as part of its generic discovery responses to its annual RAC filing. This document provides a summary of the expenditures incurred by vendor by site for the twelve-month RAC period. Hereafter, the vendor summary will be supplemented with a general description of the services provided by each vendor. The data noting expenditures incurred through July 31 will be submitted with the Company's RAC Petition.
2. Identify the three MGP sites with the highest level of expenditures during the prior RAC period. For each identified site, provide a copy of the latest work plan, remediation report, or major work product submitted to the NJDEP. The copies should include the narrative portion of the report or work plan but need not include the technical supporting work papers, charts and tables.
3. For each of the same three MGP sites, provide all correspondence between the Company and the NJDEP concerning submissions for the site, reply comments, and other major items which have a material impact on remediation activities and associated costs incurred by the Company. The correspondence should span the twelve-months preceding July 31st of the most recent RAC period.
4. For each of the same three MGP sites, provide expense documentation for any contractor or supplier whose invoices for the RAC period exceed \$250,000 in aggregate. The expense documentation should include descriptions of services rendered, applicable invoices, and any

EXHIBIT A

tracking of invoiced charges vs. budgets. The expense detail need not include expense reports or time sheets, but it should include supporting documentation for any subcontractor and third party expenses totaling \$100,000 or more for the period.

5. For each of the same three MGP sites, provide a narrative description and organization chart for that site, showing the vendors and project control structure for the remediation effort. The response should show what entities supervise all significant contractors and subcontractors and which Company personnel are involved in site and remediation supervision and control.
6. Provide a detailed narrative describing Company activities and any reimbursements related to insurance claims or potentially responsible parties' liabilities for all of the Company's MGP sites. The narrative, with supporting documentation, should cover the prior RAC period. In addition, the Company will provide a listing of all insurance reimbursements received from each insurance company through the end of the year covered by the filing, but need not disclose any insurance company's identity.
7. Provide copies of any RAC audit reports or related materials prepared by the Board's Audit Staff, FERC, or the Company's internal or external auditors during the previous twelve months. To the degree applicable, please also provide any materials prepared in response to the audits or in compliance with any audit findings.
8. Provide a narrative concerning all material events, whether related to NJDEP mandates or not, which could have an impact on the Company's ultimate MGP remediation liability, with claimed confidential information provided pursuant to a confidentiality agreement. The narrative should encompass all sites, whether or not active remediation efforts on the site are under way.

EXHIBIT A

9. Provide schedules and supporting work papers and documents which show the reconciliation of the prior period RAC expenditures and recoveries as well as the derivation of the deferred tax credit and the interest accrual on any unamortized balances.
10. Provide the Company's bid evaluation studies, reports, work papers or other material related to the two largest MGP remediation contracts awarded during the previous RAC period. The response should include the criteria utilized for bid evaluation and the comparisons between the terms and conditions offered by the competitive bidders.
11. Provide documentation relating to the two largest supplemental contract amendments authorized by the Company during the previous RAC period. The response should provide the contractor's request for supplemental funding, the reasons cited for the request, and the Company's evaluation and action taken concerning the request.
12. Provide documentation relating to any instances during the previous RAC period where the Company sought to modify, change, or eliminate the NJDEP site remediation requirements for any of its MGP sites. The response should provide copies of any such Company requests, the NJDEP responses, and the ultimate outcome concerning the requests.
13. Provide a calculation of the carrying costs that the Company seeks to recover in this filing, including work papers and supporting documentation.
14. The Company currently provides a schedule that summarizes the expenditures incurred by major cost category by site on a quarterly basis. These data will be reported with its annual filing.
15. For each of the Company's MGP sites, provide a schedule showing the status of the remediation effort and estimated dates for the completion of remaining milestones, along with a discussion of major remediation problems. The Parties understand that the timeframes

EXHIBIT A

to complete the remediation efforts are subject to a great deal of uncertainty due to factors beyond the Company's control.

16. Provide an update concerning the status of discussions with the NJDEP concerning its NRD initiative as well as any other NRD-related activities, with claimed confidential information provided pursuant to a confidentiality agreement. Such update will include information about NRD-related expenditures during the prior RAC period and related documentation, as well as total NRD-related expenses deferred to date.
17. Provide information about unreasonable delays in remediation efforts caused by the inability to obtain requisite approvals, clearances or other rights from the NJDEP, local authorities or property owners, or other circumstances that are unduly impeding remediation efforts. The Company will address issues that are outside of the ordinary experience for these matters.
18. The Company shall disclose all internal control deficiencies, significant deficiencies, or material weaknesses that are identified by the Sarbanes Oxley review process or by company internal control procedures that are related to RAC expenditures or cost recoveries during the applicable RAC period under review or the immediate prior RAC period. In addition, the Company will provide identification of remedial steps taken by management to correct such deficiencies, significant deficiencies, or material weaknesses; and the summarization of additions, deletions, or amendments to the company's Site Remediation Project Directives during the applicable RAC period under review. The Company may seek confidential treatment of materials prior to submitting the portion of such materials it considers confidential under applicable standards.
19. All legal bills sought to be paid by ratepayers. Said bills shall include the descriptions provided with such bills. The Company may seek confidential treatment of materials prior to

EXHIBIT A

submitting the portion of such materials it considers confidential under applicable standards. Material in legal bills that are legally privileged may be excluded from the filing, which parties may seek under the applicable standard for any claimed privilege.

EXHIBIT B

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 57

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

**Superseding
XXX Revised Sheet No. 57**

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatt-hour)**

Component:

Social Programs	\$ 0.001728
Energy Efficiency and Renewable Energy Programs	0.003287
Manufactured Gas Plant Remediation	<u>0.000471</u> 0.000607
Sub-total per kilowatt-hour.....	\$ <u>0.005486</u> 0.005622

Charge including losses, USF and Lifeline:

	<u>Loss Factor</u>	<u>Sub-total Including Losses</u>	<u>USF</u>	<u>Lifeline</u>	<u>Total Charge</u>
Secondary Service	5.8327%	\$ <u>0.005826</u> 0.005970	\$ 0.002315	\$ 0.000738	\$ <u>0.008879</u> 0.009023
LPL Primary	3.3153%	<u>0.005674</u> 0.005815	0.002315	0.000738	<u>0.008727</u> 0.008868
HTS Subtransmission	2.0472%	<u>0.005601</u> 0.005739	0.002315	0.000738	<u>0.008654</u> 0.008792
HTS High Voltage & HTS Transmission	0.8605%	<u>0.005534</u> 0.005671	0.002315	0.000738	<u>0.008587</u> 0.008724

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service.....	\$ <u>0.009467</u> 0.009621
LPL Primary	<u>0.009305</u> 0.009456
HTS Subtransmission	<u>0.009227</u> 0.009374
HTS High Voltage & HTS Transmission	<u>0.009156</u> 0.009302

SOCIETAL BENEFITS CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Societal Benefits Charge.

Date of Issue:

Effective:

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
in Docket No.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 57

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

**Superseding
XXX Revised Sheet No. 57**

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatt-hour)**

Component:

Social Programs	\$ 0.001728
Energy Efficiency and Renewable Energy Programs	0.003287
Manufactured Gas Plant Remediation	0.000471
Sub-total per kilowatt-hour	\$ 0.005486

Charge including losses, USF and Lifeline:

	<u>Loss Factor</u>	<u>Sub-total Including Losses</u>	<u>USF</u>	<u>Lifeline</u>	<u>Total Charge</u>
Secondary Service	5.8327%	\$ 0.005826	\$ 0.002315	\$ 0.000738	\$ 0.008879
LPL Primary	3.3153%	0.005674	0.002315	0.000738	0.008727
HTS Subtransmission	2.0472%	0.005601	0.002315	0.000738	0.008654
HTS High Voltage & HTS Transmission	0.8605%	0.005534	0.002315	0.000738	0.008587

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service	\$0.009467
LPL Primary	0.009305
HTS Subtransmission	0.009227
HTS High Voltage & HTS Transmission	0.009156

SOCIETAL BENEFITS CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Societal Benefits Charge.

Date of Issue:

Effective:

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
in Docket No.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**XXX Revised Sheet No. 41
Superseding**

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

XXX Revised Sheet No. 41

SOCIETAL BENEFITS CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

Social Programs	\$ 0.000000
Energy Efficiency and Renewables Programs	0.019520
Manufactured Gas Plant Remediation	0.0087530-041977
Universal Service Fund - Permanent	0.012500
Universal Service Fund - Lifeline	<u>0.005300</u>
Societal Benefits Charge.....	\$ 0.0460730-049297
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT).....	\$ 0.0491250-052563

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

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SOCIETAL BENEFITS CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

Social Programs	\$ 0.000000
Energy Efficiency and Renewables Programs	0.019520
Manufactured Gas Plant Remediation	0.008753
Universal Service Fund - Permanent	0.012500
Universal Service Fund - Lifeline	<u>0.005300</u>
Societal Benefits Charge.....	\$ 0.046073
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT)	<u>\$ 0.049125</u>

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

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EXHIBIT C

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed change in the electric SBC (Manufactured Gas Plant Remediation component) charges on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Change Would Be:	And Your Percent Change Would Be:
185	1,732	\$365.28	\$365.00	(\$0.28)	(0.08)%
370	3,464	671.00	670.44	(0.56)	(0.08)
740	6,920	1,289.20	1,288.20	(1.00)	(0.08)
803	7,800	1,447.14	1,445.94	(1.20)	(0.08)
1,337	12,500	2,307.28	2,305.36	(1.92)	(0.08)

(1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect August 1, 2022, and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,732	185	\$38.28	\$38.25	(\$0.03)	(0.08)%
3,464	370	71.61	71.55	(0.06)	(0.08)
6,920	740	140.22	140.11	(0.11)	(0.08)
7,800	803	152.44	152.31	(0.13)	(0.09)
12,500	1,337	256.02	255.82	(0.20)	(0.08)

(3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect August 1, 2022, and assumes that the customer receives BGS-RSCP service from Public Service.

(4) Same as (3) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the gas SBC (Manufactured Gas Plant Remediation component) charge on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service					
If Your Monthly Winter Therm Use Is:	And Your Annual Therm Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
25	170	\$257.92	\$257.32	\$(0.60)	(0.23)%
50	340	412.72	411.56	(1.16)	(0.28)
100	610	667.14	665.06	(2.08)	(0.31)
159	1,000	1,033.02	1,029.60	(3.42)	(0.33)
172	1,040	1,064.62	1,061.04	(3.58)	(0.34)
200	1,210	1,221.48	1,217.34	(4.14)	(0.34)
300	1,816	1,781.48	1,775.26	(6.22)	(0.35)

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect August 1, 2022, and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

Residential Gas Service					
If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Winter Bill Change Would Be:	And Your Percent Change Would Be:
170	25	\$31.83	\$31.75	\$(0.08)	(0.25)%
340	50	55.10	54.93	(0.17)	(0.31)
610	100	102.58	102.23	(0.35)	(0.34)
1,040	172	170.26	169.67	(0.59)	(0.35)
1,210	200	196.55	195.87	(0.68)	(0.35)
1,816	300	290.52	289.49	(1.03)	(0.35)

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect August 1, 2022, and assumes that the customer receives commodity service from Public Service.
- (4) Same as (3) except includes change in the Manufactured Gas Plant Remediation component of the SBC.