



Agenda Date: 1/31/24
Agenda Item: 2D

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 PUBLIC SERVICE ELECTRIC AND)
GAS COMPANY TO MODIFY ITS 2023 ANNUAL)
MARGIN ADJUSTMENT CHARGE)
)
) DECISION AND ORDER
) APPROVING STIPULATION
)
) DOCKET NO. GR23060330

Parties of Record:

Aaron I. Karp, Esq., Public Service Electric and Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On June 1, 2023, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) requesting approval to adjust its per therm Margin Adjustment Charge (“MAC”) rate (“Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by PSE&G, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”) intended to resolve all issues related to this matter.

BACKGROUND

By Order dated January 9, 2002, the Board authorized the Company to implement a MAC to credit net revenues associated with Transmission Service Gas Non-Firm (“TSG-NF”) rates to customers on the Residential Service Gas (“RSG”), General Service Gas (“GSG”), Large Volume Service Gas (“LVG”), Firm Transportation Gas Service (“TSG-F”), and Street Lighting Service (“SLG”) rate schedules.¹ The MAC’s purpose is to properly allocate transportation and distribution costs to non-firm gas transportation customers with the ability to switch to alternative fuel sources, like oil, in recognition that these customers should contribute, alongside firm gas customers, to the costs

¹ In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Gas Rates and for Changes in the Tariff for Gas Service B.P.U.N.J. No. 12, Gas Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. GR01050328, Order dated January 9, 2002. Firm gas customers are served under Rate Schedules RSG, GSG, LVG, TSG-F, and SLG.

associated with maintaining the distribution system. The Company sets its MAC to ensure that margins from TSG-NF customers are credited to firm gas customers.

PETITION

By the Petition, the Company sought approval to implement a revised per-therm MAC rate of (\$0.006755), which would be a decrease of \$0.000548 from the Company's current per-therm MAC rate of (\$0.006207).² The proposed MAC credit rate decrease would result in an overall projected decrease of \$1.434 million, including SUT. The Company based its revised rate upon actual data through April 2023 and projected data through September 2023.

Through discovery, PSE&G updated the Petition to include actual data through September 2023 ("Update"). The data in the Update supported a revised per-therm MAC rate of (\$0.006308), reflecting a decrease of \$264,296, including SUT.

By the Petition, the Company requested a decrease in its rates and the Update also supported a decrease in the Company's rates. Therefore, the Board did not hold public hearings related to this matter. Additionally, the Board did not receive any written comments related to this matter.

STIPULATION

Based upon a review of the Petition, the Update, and discovery, the Parties executed the Stipulation, which provides for the following:³

1. The Company will implement a MAC rate of (\$0.006308) per therm, effective on a date approved by the Board. The MAC rate is subject to interest on any net over- or under-recovered MAC balance. Interest based upon the seven (7)-year Treasuries plus 60 basis points is to be adjusted August 1 of each year on any net over- or under-recovered MAC balance. A tariff sheet reflecting the stipulated MAC rate of (\$0.006308) per therm is attached to the Stipulation as Attachment A.
2. The Parties further agree to approve the actual MAC data through September 2023 and actual results for October 1, 2023 forward will be reviewed in the Company's next MAC filing to be made by June 1, 2024.
3. As a result of the proposed rate decrease, the average monthly impact of the proposed rates on a typical residential gas customer using 172 therms in a winter month and 87 average monthly therms (1,040 annually) would be no change in the average monthly bill of \$93.22 based on current Delivery Rates and Basic Gas Supply Service charges in effect December 1, 2023. The residential customer bill impacts comparing the current and proposed changes are contained in Attachment B to the Stipulation.

² All rates quoted herein include Sales and Use Tax ("SUT").

³ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

DISCUSSION AND FINDING

Following review of the record in this matter, including the Petition, the Update, and the Stipulation, the Board **HEREBY FINDS** that, subject to the terms and conditions set forth below, the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as if fully set forth herein.

The Board **HEREBY APPROVES** the MAC rate set forth in the Stipulation for service rendered on or after February 15, 2024. Any net over-recovered MAC balance at the end of the MAC period shall be subject to refund with interest.

As a result of the Stipulation, a typical residential gas customer using 172 therms in a winter month and 87 average monthly therms (1,040 annually) will experience no change in their average monthly bill.

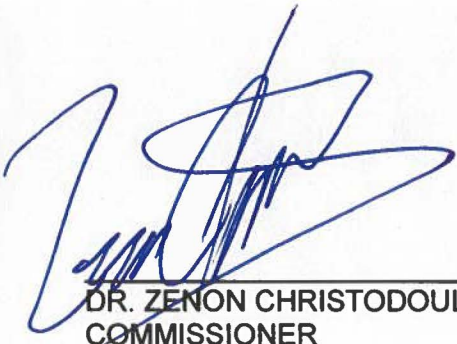
The Board **HEREBY ORDERS** the Company to file the appropriate tariff sheets conforming to the terms and conditions of this Order by February 15, 2024.

The Company's costs, including those related to the MAC, 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.

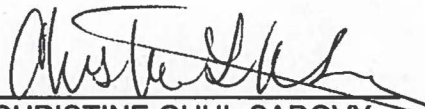
The effective date of the order is February 7, 2024.

DATED: January 31, 2024

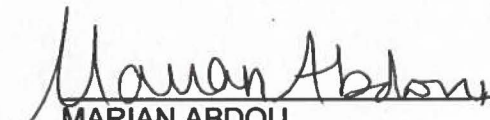
BOARD OF PUBLIC UTILITIES
BY:



DR. ZENON CHRISTODOULOU
COMMISSIONER




CHRISTINE GUHL-SADOVY
PRESIDENT



MARIAN ABDOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRIL L. GOLDEN
SECRETARY

IN THE MATTER OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY TO MODIFY ITS 2023 ANNUAL
MARGIN ADJUSTMENT CHARGE

DOCKET NO. GR23060330

SERVICE LIST

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri L. Golden, Board Secretary
board.secretary@bpu.nj.gov

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

Office of General Counsel

Michael Beck, General Counsel
michael.beck@bpu.nj.gov

Carol Artale, Deputy General Counsel
carol.artale@bpu.nj.gov

Michael Hunter, Regulatory Officer
michael.hunter@bpu.nj.gov

Division of Revenue and Rates

Andrew Tuzzo
andrew.tuzzo@bpu.nj.gov

Division of Law

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

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

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

Terel Klein, DAG
terel.klein@law.njoag.gov

Public Service Electric and Gas Company

80 Park Plaza – T10
Newark, New Jersey 07102-4194

Aaron Karp, Esq.
aaron.karp@pseg.com

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

Caitlyn White
caitlyn.white@pseg.com

Michele Falcao
michele.falcao@pseg.com

New Jersey Division of Rate Counsel

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

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

Maura Caroselli, Esq., Manager of Gas & Clean Energy
mcaroselli@rpa.nj.gov

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

Megan Lupo, Esq., Assistant Deputy
mlupo@rpa.nj.gov

Mamie Purnell, Esq., Assistant Deputy
mpurnell@rpa.nj.gov

Aaron I. Karp
Associate Counsel - Regulatory

Law Department
PSEG Services Corporation
80 Park Plaza – T10, Newark, New Jersey 07102-4194
tel : 973-430-8970
email: aaron.karp@pseg.com



January 5, 2024

In the Matter of the Petition of
Public Service Electric and Gas Company's
2023 Annual Margin Adjustment Charge ("MAC")

BPU Docket No. GR23060330

VIA ELECTRONIC MAIL

Sherri Golden, Board Secretary
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Golden:

Attached is the fully executed Stipulation in the above-reference matter 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.

Consistent with the Order issued by the New Jersey Board of Public Utilities ("BPU or 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 filing is being electronically filed with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

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

Sincerely,

A handwritten signature in black ink that reads "Aaron I. Karp".

Attachment

cc: Attached Service List (electronic only)

BPU

Robert Brabston
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625
robert.brabston@bpu.nj.gov

BPU

Paul Lupo
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625-0350
paul.lupo@bpu.nj.gov

BPU

Jamie Saunders
New Jersey Board of Public Utilities
44 South Clinton Ave.
P.O. Box 350
Trenton NJ 08625
jamie.saunders@bpu.nj.gov

DAG

Matko Ilic
NJ Dept. of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton NJ 08625
matko.ilic@law.njoag.gov

PSE&G

Aaron I. Karp Esq.
PSEG Services Corporation
80 Park Plaza, T10
P.O. Box 570
Newark NJ 07102
aaron.karp@pseg.com

PSE&G

Caitlyn White
PSEG Services Corporation
80 Park Plaza, T-10
P.O. Box 570
Newark NJ 07102
caitlyn.white@pseg.com

BPU

Sherri Golden
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625-0350
carmen.diaz@bpu.nj.gov

BPU

Ryan Moran
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625-0350
ryan.moran@bpu.nj.gov

BPU

Andrew Tuzzo
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625-0350
Andrew.tuzzo@bpu.nj.gov

DAG

Pamela Owen
NJ Dept of Law & Public Safety
Division of Law, Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street, P.O. Box 112
Trenton NJ 08625
Pamela.Owen@law.njoag.gov

PSE&G

Bernard Smalls
PSEG Services Corporation
80 Park Plaza-T10
Newark NJ 07102-4194
bernard.smalls@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

Michael Kammer
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625-0350
mike.kammer@bpu.nj.gov

BPU

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625-0350
stacy.peterson@bpu.nj.gov

BPU

Heather Weisband
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625-0350
Heather.Weisband@bpu.nj.gov

PSE&G

Matthew M. Weissman Esq.
PSEG Services Corporation 80
Park Plaza, T10
P.O. Box 570
Newark NJ 07102
matthew.weissman@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

Public Service Electric and Gas Company
MAC 2023
Docket No. : GR23060330

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

Sarah Steindel
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
ssteinde@rpa.nj.gov

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

IN THE MATTER OF PUBLIC SERVICE ELECTRIC)
AND GAS COMPANY’S 2023 ANNUAL MARGIN) BPU DOCKET NO. GR23060330
ADJUSTMENT CHARGE (“MAC”))

STIPULATION AND AGREEMENT

APPEARANCES:

Aaron I. Karp, Esq., Associate Counsel - Regulatory, for the Petitioner, Public Service Electric and Gas Company

Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel, **Megan Lupo**, Esq., Assistant Deputy Rate Counsel, **Mamie W. Purnell**, Esq., Assistant Deputy Rate Counsel, and **Maura Caroselli**, Esq., Manager of Gas & Clean Energy, for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Esq., Director)

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

On January 9, 2002, the New Jersey Board of Public Utilities (“Board” or “BPU”) issued an Order directing Public Service Electric and Gas Company (“PSE&G” or “Company”) to implement a Margin Adjustment Charge (“MAC”) to credit the net revenues associated with Non-Firm Transportation Gas Service rates to certain customers on Rate Schedules Residential Service, General Service, Large Volume Service, Street Lighting Service and Firm Transportation Gas Service; the Company implemented its MAC on the same date.¹

By Board Order dated December 21, 2022, the Board approved PSE&G’s current MAC rate of (\$0.006207) per therm, including Sales and Use Tax (“SUT”), effective January 1, 2023.² On

¹ In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Gas Rates and for Changes in the Tariff for Gas Service B.P.U.N.J. No. 12, Gas Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. GR01050328, Order Adopting Initial Decision Approving Stipulation, Order dated January 9, 2002.

² In re the Petition of Public Service Electric and Gas Company’s 2022 Annual Margin Adjustment Charge (“MAC”), BPU Docket No. GR22060367, Decision and Order Approving Stipulation, Order dated December 21, 2022.

June 1, 2023, PSE&G filed a petition and supporting documentation with the Board requesting authorization to lower the Company's current MAC rate from (\$0.006207) per therm, including SUT, to (\$0.006755) per therm, including SUT ("June 2023 Petition"). The June 2023 Petition included actual results through April 2023, and projected results through September 2023, projecting an overall MAC rate decrease of \$1.434 million, including SUT. Because the June 2023 Petition requested a rate decrease, the Company did not notice public hearings at that time.

In response to discovery, PSE&G updated the projected data in the June 2023 Petition with actual data through September 2023 that supported an updated MAC rate of (\$0.006308) per therm, including SUT, which reflects an overall MAC rate decrease of \$264,296, including SUT. Because the updated calculated credit continues to result in a rate decrease, the Company proposed to implement a MAC rate of (\$0.006308) per therm, including SUT.

Upon review of the June 2023 Petition, with actual data through April 2023 and the updates provided in discovery that include actual data through September 2023, Board Staff, the New Jersey Division of Rate Counsel, and PSE&G (collectively, "Parties") agree as follows:

1. The Company will implement a MAC rate of (\$0.006308) per therm, including SUT, effective on a date approved by the Board. The MAC rate is subject to interest on any net over- or under-recovered MAC balance. Interest based upon the seven (7)-year Treasuries plus 60 basis points is to be adjusted August 1 of each year on any net over- or under-recovered MAC balance.³ A tariff sheet reflecting the stipulated MAC rate of (\$0.006308) per therm, including SUT, is attached hereto as Attachment A.

2. The Parties further agree to approve the actual MAC data through September 2023

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."

and actual results for October 1, 2023 forward will be reviewed in the Company's next MAC filing to be made by June 1, 2024.

3. As a result of the proposed rate decrease, the average monthly impact of the proposed rates on a typical residential gas customer using 172 therms in a winter month and 87 average monthly therms (1,040 annually) would be no change in the average monthly bill of \$93.22 based on current Delivery Rates and Basic Gas Supply Service charges in effect December 1, 2023. The residential customer bill impacts comparing the current and proposed charges are contained in Attachment B.⁴

4. This stipulation of settlement ("Stipulation") represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

5. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.

6. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement

⁴ The average monthly bill impacts may not decrease in direct relation to usage due to rounding.

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.

7. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order or upon such date after the service thereof as the Board may specify in accordance with N.J.S.A. 48:2-40.

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

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

BY: Aaron I. Karp
Aaron I. Karp
Associate Counsel - Regulatory

BY: Matko Ilic
Matko Ilic
Deputy Attorney General

DATED: January 5, 2024

DATED: January 5, 2024

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

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

DATED: January 5, 2024

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 43

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

Superseding

XXX Revised Sheet No. 43

MARGIN ADJUSTMENT CHARGE

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

Margin Adjustment Charge.....	(\$0.005916) (\$0.005821)
Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT).....	(\$0.006308) (\$0.006207)

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP – Finance, Planning & Strategy – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 43

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

Superseding

XXX Revised Sheet No. 43

MARGIN ADJUSTMENT CHARGE

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

Margin Adjustment Charge (\$0.005916)

Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT).....(\$0.006308)

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP – Finance, Planning & Strategy – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the Margin Adjustment Clause (MAC) on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service - Average Monthly Bill				
If Your Average Monthly Therm Use Is:	Then Your Present Monthly Bill (1) Would Be:	And Your Proposed Monthly Bill (2) Would Be:	Your Monthly Bill Change Would Be:	And Your Percent Change Would Be:
14	\$22.23	\$22.23	\$0.00	0.00 %
28	35.82	35.82	0.00	0.00
51	58.24	58.23	(0.01)	(0.02)
87	93.22	93.22	0.00	0.00
100	106.28	106.27	(0.01)	(0.01)
151	156.30	156.29	(0.01)	(0.01)

(1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2024, and assumes that the customer receives commodity service from Public Service.

(2) Same as (1) except includes decrease in the MAC.

Residential Gas Service - Monthly Winter Bill				
If 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 Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
25	\$33.15	\$33.15	\$0.00	0.00 %
50	57.68	57.67	(0.01)	(0.02)
100	107.85	107.84	(0.01)	(0.01)
172	179.30	179.29	(0.01)	(0.01)
201	208.17	208.15	(0.02)	(0.01)
300	306.29	306.26	(0.03)	(0.01)

(3) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2024, and assumes that the customer receives commodity service from Public Service.

(4) Same as (3) except includes decrease in the MAC.