



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 FOR)
APPROVAL OF CHANGES IN ITS ELECTRIC AND)
GAS SOCIETAL BENEFITS CHARGE)
) DECISION AND ORDER
) APPROVING STIPULATION
)
) DOCKET NOS. GR23010009 &
) ER23010010

Parties of Record:

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

BY THE BOARD:

On January 9, 2023, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking review and approval of changes to certain components of the Company’s electric and gas Societal Benefits Charges (“SBC”) (“2023 SBC 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 the 2023 SBC Petition.

BACKGROUND

In 1999, pursuant to the Electric Discount and Energy Competition Act, the Board established PSE&G’s electric SBC and associated cost recovery mechanism.¹ The Company’s gas SBC was established in August 2000. The Board requires each utility to file a request for recovery of deferred expenses pertaining to unrecovered balances in the SBC on an annual basis.

2023 SBC PETITION

The SBC components addressed in this proceeding relate to the recovery of electric and gas Energy Efficiency and Renewable Energy (“EE&RE”) program costs, administered through the

¹ N.J.S.A. 48:3-60

Division of Clean Energy as well as electric Social Programs costs.² The proposed changes in the 2023 SBC Petition were based upon the Company's actual collections and expenses through November 30, 2022, and projected collections and expenses through February 28, 2024.

By the 2023 SBC Petition, PSE&G requested approval of an increase in its electric SBC revenue requirements of approximately \$52.4 million related to the EE&RE Programs and Social Programs components of the SBC. Specifically, PSE&G proposed to increase the revenues collected from the Social Programs component of its electric SBC by \$66.6 million annually, and proposed to decrease the revenues collected from the EE&RE component of its electric SBC by \$14.2 million annually. Additionally, PSE&G proposed to increase the revenues collected from its gas EE&RE component of its gas SBC by approximately \$31.8 million annually.

For the electric SBC, PSE&G projected an under-collected balance of \$111.6 million (including interest) for the period ending February 28, 2023. Based upon this under-collection and the Company's estimated expenses of \$198.7 million to be incurred from March 1, 2023 through February 29, 2024, PSE&G proposed a total electric SBC recovery of \$258.4 million (\$137.6 million for Social Programs and \$120.8 million for EE&RE Programs). This resulted in a proposed total electric SBC increase of \$52.4 million comprised of a revenue decrease of \$14.2 million related to EE&RE programs and a revenue increase of \$66.6 million related to Social Programs. The Social Programs amount included \$26 million representing a proposed three-year amortization of the previously deferred \$77.9 million of COVID-19 related expenses.

For the gas SBC, PSE&G projected an under-collected balance of \$18.7 million (including interest) for the period ending February 28, 2023. Based upon this under-collection and the Company's estimated expenses of \$67.3 million expected to be incurred from March 1, 2023 through February 29, 2024, PSE&G proposed a total gas SBC recovery of \$86.0 million, which would represent an increase in annual revenues of \$31.8 million.

After publication of notice in newspapers of general circulation in the Company's service territory, virtual public hearings were held at 4:30 and 5:30 p.m. on June 14, 2023.³ No members of the public provided comments addressing this matter at any of the hearings, or filed written comments.

Through the course of the proceeding, PSE&G updated the information in the 2023 SBC Petition to reflect actual data through February 28, 2023. Based upon the updates, the total annual revenue requirement for the electric SBC components was approximately \$67.1 million and approximately \$35.4 million for gas. However, as the updated information would increase rates higher than publicly noticed, PSE&G did not request to modify the rates further than what was proposed in the 2023 SBC Petition.

COVID-19 Proceeding

By Order dated June 7, 2023, the Board required that all filings for cost recovery of COVID-19 regulatory asset balances must be evaluated on a case-by-case basis, whether as part of a base

² The Social Programs component of the SBC recovers the value of electric customer receivables expected to be written off as uncollectible (i.e. "bad debts"). The electric and gas SBC components reviewed in this proceeding exclude the Remediation Adjustment Clause, and Universal Service Fund and Lifeline, because the Board reviews those components in separate proceedings.

³ Public Hearings were held virtually due to the COVID-19 Pandemic.

rate case or a separate proceeding, to ensure an equitable determination specifically tailored for each individual utility seeking cost recovery.⁴ In accordance with the June 2023 Order, on July 17, 2023, PSE&G filed a petition seeking review and approval to recover costs incurred due to the COVID-19 pandemic through a special-purpose clause and the Societal Benefits Charge.⁵

STIPULATION

Following a review of the 2023 SBC Petition, updates thereto, as well as discovery, the Parties discussed the issues in this matter. As a result of those discussions, the Parties executed the Stipulation, which provides for the following:⁶

1. Staff and Rate Counsel propounded discovery to which the Company responded and the Parties agree that, as shown on Schedule SS-2A and Schedule SS-2B of the Stipulation (“Attachment A” and “Attachment B” of the Stipulation, respectively), \$232.5 million is eligible for recovery via the electric SBC, and \$86 million is eligible for recovery via the gas SBC.
2. The previously deferred \$77.9 million shall continue to be deferred, and shall be reviewed for prudence in PSE&G’s pending COVID-19 Proceeding and, subject to that review, recovered pursuant to an amortization schedule determined in that Proceeding.
3. The Parties agree that as shown on Attachment A of the Stipulation, the Social Component of the SBC contains a remaining balance to be collected from customers of \$48.7 million, and the EE&RE Component of the SBC contains a remaining balance of \$14.9 million to be returned to customers, resulting in total remaining balance of \$33.8 million to be collected from customers. The parties further agree that (a) the electric SBC rates established in the Stipulation shall include recovery of the remaining balance of \$33.8 million, and (b) that \$33.8 million shall be reviewed for prudence in PSE&G’s pending COVID-19 Proceeding and, subject to that review, the balance of the \$33.8 million not yet recovered through the rates established pursuant to the Stipulation shall be recovered pursuant to an amortization schedule determined in that Proceeding.

⁴ In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated June 7, 2023 (“June 2023 Order”).

⁵ In re the Petition of Public Service Electric and Gas Company for Approval of Incremental COVID-19 Costs for Recovery Through a New Special-Purpose Clause, and for Authorization to Recover Uncollectible Costs for Gas Through the Societal Benefits Charge, BPU Docket No. GR23070448.

⁶ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation are controlling, subject to the findings and conclusions in this Order. Each paragraph is numbered to coincide with the paragraphs in the Stipulation.

- The agreed-upon electric and gas SBC rates are set forth in Table 2 below, and in Schedule SS-2A-Settlement (“Attachment A”) of the Stipulation and Schedule SS-2B-Settlement (“Attachment B”) of the Stipulation, and shall be reflected in rates upon Board approval. These rates are expected to generate an increase in SBC revenues for electric of approximately \$26.5 million and an increase in SBC revenues of approximately \$31.8 million for gas.

Electric	Current Rate per kWh Excluding Losses and SUT	Proposed/Settlement Rate per kWh Excluding Losses and SUT
SBC-Social	\$0.001728	\$0.002718
SBC-EE&RE	\$0.003287	\$0.002941
Gas	Current Rate Per Therm Excluding SUT	Proposed/Settlement Rate per Therm Excluding SUT
SBC-EE&RE	\$0.019520	\$0.030974

- As a result of the final rates set forth in Attachment A of the Stipulation, the average monthly impact for PSE&G’s typical residential electric customer using 740 kWh in a summer month and 577 average monthly kWh (6,920 kWh annually) would be an increase in their average monthly bill from \$117.48 to \$117.90, or \$0.42 or approximately 0.36%, based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (“BGS-RSCP”) charges in effect January 1, 2024, and assuming the customer receives BGS-RSCP service from PSE&G.
- As a result of the final rates set forth in Attachment B of the Stipulation, the average monthly impact for PSE&G’s typical residential gas heating customer using 172 therms in a winter month and 87 average monthly therms (1,040 therms annually) would be an increase in the average monthly bill from \$93.22 to \$94.28, or \$1.06, or approximately 1.14 %, based upon current Delivery Rates and Basic Gas Supply Service (“BGSS-RSG”) charges in effect January 1, 2024 and assuming the customer receives BGSS service from PSE&G.
- The residential customer bill impacts comparing the current and proposed electric and gas delivery charges are set forth in “Attachment C” of the Stipulation for the aforementioned typical customers, as well as for other typical residential customer usage patterns.
- Attached to the Stipulation as “Attachment D” are current tariff pages, as well as draft redline and clean tariff pages, setting forth the proposed electric and gas SBC rates.
- The Parties further agree that the actual SBC data through February 28, 2023 is approved, and actual data for March 1, 2023 forward will be reviewed in the Company’s next SBC filing.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this proceeding, including the 2023 SBC Petition and the attached Stipulation. The Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law, striking an appropriate balance between the needs of customers and the Company. 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.

The Board **HEREBY ORDERS** PSE&G to amend its petition in Docket No. GR23070448 to include the request for recovery of COVID-19 related expenses initially requested in this proceeding, as discussed in Paragraph 2 of the Stipulation.

The Board **HEREBY AUTHORIZES** PSE&G to implement the updated electric and gas SBC rates as set forth in Attachments A and B of the Stipulation, effective April 1, 2024. As a result of the Stipulation, a typical residential electric customer using 740 kWh in a summer month and 577 average monthly kWh (6,920 kWh annually) will experience an increase in their average monthly bill of \$0.42. A typical residential gas customer using 172 therms in a winter month and 87 average monthly therms (1,040 therms annually) will experience an increase in their average monthly bill of \$1.06.

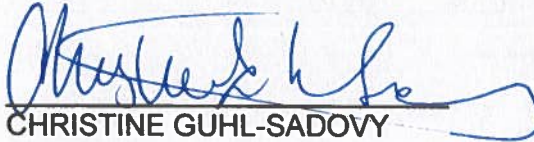
The Board **HEREBY DIRECTS** the Company to file tariff sheets consistent with the Board's Order by April 1, 2024.

The Company's electric and gas costs, including those related to the SBC, will 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 because of any such audit.


This Order shall be effective on March 27, 2024.

DATED: March 20, 2024

BOARD OF PUBLIC UTILITIES
BY:

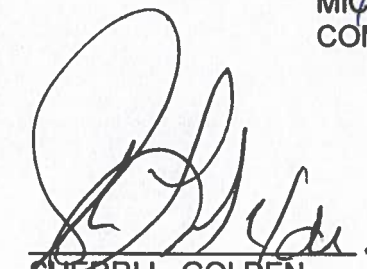

CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRIL L. GOLDEN
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 FOR APPROVAL OF
CHANGES IN ITS ELECTRIC AND GAS SOCIETAL BENEFITS CHARGE

DOCKET NOS. GR23010009 & ER23010010

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January 19, 2024

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Changes in its Electric and Gas
Societal Benefits Charge Rates

BPU Docket Nos. GR23010009 and ER23010010

VIA ELECTRONIC MAIL

Sherri Golden, 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.

Very truly yours,

A handwritten signature in blue ink that reads "Matthew Weissman".

Matthew M. Weissman

cc: Attached service list

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

IN THE MATTER OF THE PETITION OF)	
PUBLIC SERVICE ELECTRIC AND GAS)	
COMPANY FOR APPROVAL OF)	BPU DOCKET NOS. ER23010010 &
CHANGES IN ITS ELECTRIC AND GAS)	GR23010009
SOCIETAL BENEFITS CHARGE)	

APPEARANCES:

Matthew M. Weissman, Esq., Special Counsel - State Regulatory, **Danielle Lopez, Esq.**, Associate General Regulatory Counsel, for Petitioner, Public Service Electric and Gas Company

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

STIPULATION OF SETTLEMENT

On January 9, 2023, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“BPU” or “Board”) requesting authority to reset the Company’s electric and gas Societal Benefits Charges (“SBC”) (“2023 SBC Petition”).

2020 SBC Petition

PSE&G’s most recent SBC case prior to the 2023 SBC Petition was filed with the Board on November 30, 2020 in Docket Nos. ER20110734 and GR20110735 (“2020 SBC Petition”). In the 2020 SBC Petition, PSE&G requested approval of a proposed increase of approximately \$75.9 million related to the Energy Efficiency and Renewable Energy Programs (“EE&RE”) and Social Programs components of the electric SBC. This included a revenue decrease of \$13.6 million related to EE&RE Programs, and a revenue increase of \$89.6 million related to Social Programs. Additionally, in the 2020 SBC Petition PSE&G proposed a decrease in its gas SBC revenue requirement of approximately \$18.2 million related to the EE&RE Programs component of the gas SBC.

On August 18, 2021, the Board issued an Order approving a stipulation wherein PSE&G, Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) agreed that \$290.5 million was eligible for recovery via the electric SBC, and \$56 million was eligible for recovery via the gas SBC (“2021 SBC Stipulation”). However, due to the COVID-19 pandemic, and in light of the proposed electric increase attributable to the increase in the Social Programs component of the electric SBC, the Parties agreed that the increase in the Social Programs component of the electric SBC would be limited to an amount that offset the decrease in the EE&RE component of the electric SBC with the cost recovery amortization period based upon the outcome of the COVID-19 Proceeding.

The 2021 SBC Stipulation also provided the steps taken by Governor Phil Murphy, and subsequently the utilities, to address the needs of customers impacted by the COVID-19 pandemic. Specifically, as provided in the 2021 SBC Stipulation, on March 9, 2020, as a result of Executive Order 103 which declared a Public Health Emergency and State of Emergency, the utilities extended the annual Winter Termination Program (“moratorium”) on service curtailments, under N.J.A.C. 14:3-3A.5, beyond the March 15, 2020 end date, and expanded the program to include commercial and industrial customers. Through a series of Executive Orders, Governor Murphy extended the moratorium to June 30, 2021.¹ Notwithstanding Executive Order 246 which terminated the moratorium effective July 1, 2021, all New Jersey residents protected by the moratorium were provided a grace period until December 31, 2021 to allow customers to apply for available assistance, make payment arrangements with utilities to address overdue balances, and provide time for the State to decide the process for distribution of funds to customers in arrears available under the federal American Rescue Plan (“ARP”). For those eligible for the Winter Termination Program, EO 246 effectively extended the moratorium until March 2022, which was the end of the winter termination period. On March 25, 2022 Governor Murphy signed Bill S-2356, extending the moratorium on shutoffs for certain residential customers with overdue utility payments for 60 days while they awaited a determination by the applicable State agency on application(s) submitted before June 15,

¹ See EO 190 and EO 229.

2022 for payment assistance programs.

In the 2021 SBC Stipulation, the Parties agreed that \$151.1 million was eligible for recovery via the Social Programs component of the electric SBC but would be reduced to \$73.3 million, and that the balance of \$77.9 million eligible for recovery (“Deferred Amount”) but not incorporated into the Social Programs component of the SBC would be deferred within the Social Programs component of the electric SBC, for recovery beginning in the next SBC proceeding to be filed by PSE&G (and/or a subsequent SBC proceeding, if necessary, to address recovery of any remaining deferred amounts), with the cost recovery amortization period based upon the outcome of the COVID-19 Proceeding.²

The Parties further agreed that this Deferred Amount would remain in the Social Programs component of the electric SBC under-recovered balance and accrue interest until fully recovered. Nothing in the 2021 SBC Stipulation precluded any Party from arguing that the Deferred Amount should be modified by appropriate offsets, i.e., funds received from any federal, state or other program, as authorized by the Board.

The 2023 SBC Petition

On January 9, 2023, PSE&G filed the 2023 SBC Petition with the Board, requesting authority to reset the Company’s electric and gas SBC. The requested changes were the result of adjustments in the various applicable components in the separate electric and gas SBCs; specifically, Social Programs (for electric only), and EE&RE (for electric and gas). The proposed rate changes are as follows:

² See In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, Order Authorizing Establishment of a Regulatory Asset for Incremental COVID-19 Related Expenses, Docket No. AO20060471, July 2, 2020 (authorizing the State’s utilities to defer prudently incurred incremental costs related to COVID-19). PSE&G’s July 17, 2023 COVID-19 filing is currently pending under BPU Docket No. GR23070448.

Table 1

Electric	Current Rate Per kWh Excluding Losses and SUT	Proposed/As Filed Rate per kWh Excluding Losses and SUT
SBC – Social	0.001728	0.003350
SBC-EE&RE	0.003287	0.002941
Gas	Current Rate Per Therm Excluding SUT	Proposed/As Filed Rate Per Therm Excluding SUT
SBC-EE&RE	0.019520	0.030974

Per PSE&G’s 2023 SBC Petition and the testimony of Stephen Swetz, Sr. Director, Corporate Rates and Revenue Requirements, the filed-for rate changes proposed for the electric SBC components were designed to increase revenues by approximately \$52.4 million from electric customers on an annual basis beginning March 1, 2023. The rate proposed for the gas SBC component was designed to increase annual revenues from gas customers by approximately \$31.8 million on an annual basis beginning March 1, 2023.

Subsequent to its initial filing, the Company provided updated revenue requirements via the response to RCR-0012 on April 6, 2023, which included actual results through February 28, 2023. That updated data supported revenue requirements of \$273.1 million for electric and \$89.6 million for gas. However, these newly calculated revenue requirements would result in rate increases higher than the increases publicly noticed by the Company.

Public hearings were conducted virtually at 4:30 p.m. and 5:30 p.m. on June 14, 2023.³ No members of the public provided comments during the virtual public hearing, and no written comments were submitted to the Board regarding this matter.

The Company responded to discovery requests propounded by Staff and Rate Counsel.

³ Public Hearings were held virtually due to the COVID-19 pandemic.

The Parties **HEREBY STIPULATE AND AGREE** to the following:

1. Staff and Rate Counsel propounded discovery to which the Company responded and the Parties agree that, as shown on Schedule SS-2A and Schedule SS-2B (“Attachment A” and “Attachment B”, respectively), \$232.5 million is eligible for recovery via the electric SBC, and \$86 million is eligible for recovery via the gas SBC.⁴

2. The previously deferred \$77.9 million shall continue to be deferred, and shall be reviewed for prudence in PSE&G’s pending COVID-19 Proceeding and, subject to that review, recovered pursuant to an amortization schedule determined in that Proceeding.

3. The Parties agree that as shown on Attachment A, the Social Component of the SBC contains a remaining balance to be collected from customers of \$48.7 million, and the EE&RE Component of the SBC contains a remaining balance of \$14.9 million to be returned to customers, resulting in total remaining balance of \$33.8 million to be collected from customers. The parties further agree that (a) the electric SBC rates established in this Stipulation shall include recovery of the remaining balance of \$33.8 million, and (b) that \$33.8 million shall be reviewed for prudence in PSE&G’s pending COVID-19 Proceeding and, subject to that review, the balance of the \$33.8 million not yet recovered through the rates established pursuant to this Stipulation shall be recovered pursuant to an amortization schedule determined in that Proceeding.

4. The agreed-upon electric and gas SBC rates are set forth in Table 2 below, and in Schedule SS-2A-Settlement (“Attachment A”) and Schedule SS-2B-Settlement (“Attachment B”), and shall be reflected in rates upon Board approval. These rates are expected to generate an increase in SBC revenues for electric of approximately \$26.5 million and an increase in SBC revenues of approximately \$31.8 million for gas.

⁴ The electric and gas SBC components addressed in this Stipulation exclude RAC and the permanent USF and Lifeline, since the Board reviews those clauses in separate proceedings.

Table 2

Electric	Current Rate Per kWh Excluding Losses and SUT	Proposed/Settlement Rate per kWh Excluding Losses and SUT
SBC - Social	\$0.001728	\$0.002718
SBC-EE&RE	\$0.003287	\$0.002941
Gas	Current Rate Per Therm Excluding SUT	Proposed/Settlement Rate Per Therm Excluding SUT
SBC-EE&RE	\$0.019520	\$0.030974

5. As a result of the final rates set forth in Attachment A, the average monthly impact for PSE&G's typical residential electric customer using 740 kWh in a summer month and 577 average monthly kWh (6,920 kWh annually) would be an increase in their average monthly bill from \$117.48 to \$117.90, or \$0.42 or approximately 0.36%, based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in effect January 1, 2024, and assuming the customer receives BGS-RSCP service from PSE&G.

6. As a result of the final rates set forth in Attachment B, the average monthly impact for PSE&G's typical residential gas heating customer using 172 therms in a winter month and 87 average monthly therms (1,040 therms annually) would be an increase in the average monthly bill from \$93.22 to \$94.28, or \$1.06, or approximately 1.14 %, based upon current Delivery Rates and Basic Gas Supply Service [BGSS-RSG] charges in effect January 1, 2024 and assuming the customer receives BGSS service from PSE&G.

7. The residential customer bill impacts comparing the current and proposed electric and gas delivery charges are set forth in “Attachment C” for the aforementioned typical customers, as well as for other typical residential customer usage patterns.

8. Attached hereto as “Attachment D” are current tariff pages, as well as draft redline and clean tariff pages, setting forth the proposed electric and gas SBC rates.

9. The Parties further agree that the actual SBC data through February 28, 2023 is approved, and actual data for March 1, 2023 forward will be reviewed in the Company's next SBC filing.

10. The Parties recommend that the Board issue an Order approving this Stipulation of Settlement ("Settlement") without modification, with the rate modifications set forth herein effective for service rendered on the first of the month after approval by the Board.

11. This Settlement is being entered into exclusively for the purpose of resolving the issues in these matters.

12. This Settlement 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 Settlement, 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 these proceedings are resumed, each Party is given the right to return to the position it was in before this Settlement was executed.

13. The undersigned Parties hereby 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

By: Matthew Weissman
Matthew M. Weissman
Special Counsel – State Regulatory

DATED: January 19, 2024

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF THE STATE
OF NEW JERSEY, ATTORNEY FOR THE
STAFF OF THE BOARD OF PUBLIC
UTILITIES

BRIAN LIPMAN
DIRECTOR, DIVISION OF RATE
COUNSEL

By: Matko Ilic
Matko Ilic
Deputy Attorney General

By: T. David Wand
T. David Wand
Deputy Rate Counsel,
Manager, Electric Group

DATED: January 19, 2024

DATED: January 19, 2024

PSE&G Societal Benefits Charge
Calculation of Cost Recovery - Electric
(\$000)

Attachment A
Schedule SS-2A
PAGE 1 OF 1

CALCULATION OF COST RECOVERY FACTOR

ELECTRIC	(\$000's)			TOTAL ELECTRIC SBC*
	PERIOD	SOCIAL	EE&RE	
BEGINNING OVER/(UNDER) BALANCE INCLUDING INTEREST	12/31/2020	(\$67,684)	(\$7,617)	(\$75,301)
ACTUAL REVENUES	01/01/21 - 11/30/22	\$132,380	\$278,065	\$410,445
ACTUAL EXPENSES	01/01/21 - 11/30/22	(\$190,847)	(\$258,486)	(\$449,333)
INTEREST	01/01/21 - 11/30/22	(\$1,989)	\$176	(\$1,813)
OVER/(UNDER) BALANCE INCLUDING INTEREST	11/30/22	(\$128,140)	\$12,138	(\$116,002)
FORECAST REVENUES	12/01/22 - 2/28/23	\$17,563	\$33,413	\$50,977
FORECAST EXPENSES	12/01/22 - 2/28/23	(\$15,177)	(\$30,726)	(\$45,904)
INTEREST	12/01/22 - 2/28/23	(\$792)	\$88	(\$704)
OVER/(UNDER) BALANCE INCLUDING INTEREST	2/28/23	(\$126,547)	\$14,914	(\$111,633)
BALANCE TO BE COLLECTED/(RETURNED) TO CUSTOMERS	2/28/23	\$126,547	(\$14,914)	\$111,633
DEFERRED FROM PREVIOUS FILING	9/1/2021	\$77,850	\$0	\$77,850
REMAINING BALANCE TO BE COLLECTED/(RETURNED) TO CUSTOMERS	2/28/2023	\$48,697	(\$14,914)	\$33,784
ESTIMATED EXPENSES TO BE COLLECTED	03/01/23 - 2/29/24	\$62,965	\$135,713	\$198,678
TOTAL TO BE COLLECTED/(RETURNED) TO CUSTOMERS	03/01/23 - 2/29/24	\$111,662	\$120,799	\$232,462
AMORTIZATION OF DEFERRED BALANCE		\$0	\$0	\$0
TOTAL INCLUDING AMORTIZATION OF DEFERRAL TO BE COLLECTED / (RETURNED) TO CUSTOMERS		\$111,662	\$120,799	\$232,462
KWH OUTPUT (000s) (03/01/23 - 2/29/24)	03/01/23 - 2/29/24	41,077,695	41,077,695	
AVERAGE COST PER KILOWATTHOUR (DOLLAR/KWH)		\$0.002718	\$0.002941	\$70,982.26
CHARGE - Secondary (DOLLAR/KWH)		0.002886	0.003123	
LPL Primary (DOLLAR/KWH)		0.002811	0.003042	
HTS Subtransmission (DOLLAR/KWH)		0.002775	0.003002	
HTS High Voltage (DOLLAR/KWH)		0.002742	0.002967	
CALCULATION OF REVENUE IMPACT				
REVISED RATE PER KWH		0.002718	0.002941	
CURRENT RATE PER KWH		0.001728	0.003287	
DIFFERENCE		0.000990	(0.000346)	
KWH OUTPUT (000s) (03/01/23 - 2/29/24)		41,077,695	41,077,695	
REVENUE IMPACT (03/01/23 - 2/29/24)		\$40,667	(\$14,213)	\$26,454

* Excludes RAC, Lifeline and USF.

**PSE&G Societal Benefits Charge
Calculation of Cost Recovery - Gas**
(\$000)

**Attachment B
Schedule SS-2B
PAGE 1 OF 1**

Gas	<u>Period</u>	<u>EE&RE</u>
BEGINNING OVER/(UNDER) BALANCE INCLUDING INTEREST	12/31/2020 *	\$1,096
ACTUAL REVENUES	01/01/21 - 11/30/22	\$106,463
ACTUAL EXPENSES	01/01/21 - 11/30/22	(\$135,323)
INTEREST	01/01/21 - 11/30/22	(\$322)
OVER/(UNDER) BALANCE INCLUDING INTEREST	11/30/22	(\$28,086)
FORECAST REVENUES	12/01/22 - 2/28/23	\$26,007
FORECAST EXPENSES	12/01/22 - 2/28/23	(\$16,473)
INTEREST	12/01/22 - 2/28/23	(\$134)
OVER/(UNDER) BALANCE INCLUDING INTEREST	2/28/23	(\$18,686)
BALANCE TO BE COLLECTED/(RETURNED) TO CUSTOMERS	2/28/23	\$18,686
ESTIMATED EXPENSES TO BE COLLECTED	03/01/23 - 2/29/24	\$67,319
TOTAL TO BE COLLECTED/(RETURNED) TO CUSTOMERS	03/01/23 - 2/29/24	\$86,005
THERM SALES (000s) (03/01/23 - 2/29/24)		2,776,714
DOLLAR PER THERM		\$0.030974

CALCULATION OF REVENUE IMPACT (\$000's)
--

	<u>EE&RE</u>	<u>*TOTAL GAS SBC</u>
REVISED RATE PER THERM	0.030974	0.030974
CURRENT RATE PER THERM	0.019520	0.019520
DIFFERENCE	0.011454	0.011454
THERM SALES (000s) (03/01/23 - 2/29/24)	2,776,714	2,776,714
REVENUE IMPACT (03/01/23 - 2/29/24)	\$31,804	\$31,804

* Excludes RAC, Lifeline and USF.

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed changes in the Societal Benefits Charge (SBC) on typical residential Electric bills, if approved by the Board, is illustrated below:

Residential Electric Service - Average Monthly Bill				
If Your Average Monthly kWhr 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:
144	\$32.96	\$33.07	\$0.11	0.33 %
289	60.96	61.17	0.21	0.34
577	117.48	117.90	0.42	0.36
650	131.90	132.37	0.47	0.36
1,042	210.46	211.22	0.76	0.36

(1) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect January 1, 2024, and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes increase in the SBC.

Residential Electric Service - Monthly Summer Bill				
If 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:
185	\$41.86	\$42.00	\$0.14	0.33 %
370	78.79	79.06	0.27	0.34
740	154.56	155.10	0.54	0.35
803	167.98	168.57	0.59	0.35
1,337	281.95	282.93	0.98	0.35

(3) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect January 1, 2024, and assumes that the customer receives BGS-RSCP service from Public Service.

(4) Same as (3) except includes increase in the SBC.

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the Societal Benefits Charge (SBC) 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	\$22.40	\$0.17	0.76 %
28	35.82	36.17	0.35	0.98
51	58.24	58.86	0.62	1.06
87	93.22	94.28	1.06	1.14
100	106.28	107.50	1.22	1.15
151	156.30	158.15	1.85	1.18

(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 increase in the SBC.

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	\$33.45	\$0.30	0.90 %
50	57.68	58.29	0.61	1.06
100	107.85	109.08	1.23	1.14
172	179.30	181.40	2.10	1.17
201	208.17	210.62	2.45	1.18
300	306.29	309.96	3.67	1.20

(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 increase in the SBC.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Tenth Revised Sheet No. 57

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

Superseding

Ninth 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>
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	\$ 0.001243	\$ 0.000698	\$ 0.007767
LPL Primary	3.3153%	0.005674	0.001243	0.000698	0.007615
HTS Subtransmission	2.0472%	0.005601	0.001243	0.000698	0.007542
HTS High Voltage & HTS Transmission	0.8605%	0.005534	0.001243	0.000698	0.007475

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service	\$ 0.008282
LPL Primary	0.008119
HTS Subtransmission	0.008042
HTS High Voltage & HTS Transmission	0.007970

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: September 28, 2023

Effective: October 1, 2023

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 September 27, 2023
in Docket No. ER23060409

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**Ninth Revised Sheet No. 41
Superseding
Eighth 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	0.008753
Universal Service Fund - Permanent	0.010800
Universal Service Fund - Lifeline	<u>0.005800</u>
Societal Benefits Charge	\$ 0.044873
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT)	<u>\$ 0.047846</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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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	<u>\$ 0.001728</u>	<u>\$ 0.002718</u>
Energy Efficiency and Renewable Energy Programs	<u>0.003287</u>	<u>0.002941</u>
Manufactured Gas Plant Remediation		<u>0.000471</u>
Sub-total per kilowatt-hour	<u>\$ 0.005486</u>	<u>\$ 0.006130</u>

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>\$ 0.006510</u>	\$ 0.001243	\$ 0.000698	<u>\$ 0.008451</u>
		<u>\$ 0.005826</u>			<u>\$ 0.007767</u>
LPL Primary	3.3153%	<u>0.006340</u>	0.001243	0.000698	<u>0.008281</u>
		<u>0.005674</u>			<u>0.007615</u>
HTS Subtransmission	2.0472%	<u>0.006258</u>	0.001243	0.000698	<u>0.008199</u>
		<u>0.005601</u>			<u>0.007542</u>
HTS High Voltage & HTS Transmission	0.8605%	<u>0.006183</u>	0.001243	0.000698	<u>0.008124</u>
		<u>0.005534</u>			<u>0.007475</u>

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service	<u>\$ 0.008282</u>	<u>\$ 0.009011</u>
LPL Primary	<u>0.008119</u>	<u>0.008830</u>
HTS Subtransmission	<u>0.008042</u>	<u>0.008742</u>
HTS High Voltage & HTS Transmission	<u>0.007970</u>	<u>0.008662</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- 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.

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80 Park Plaza, Newark, New Jersey 07102
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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 41

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

**Superseding
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 <u>0.030974</u>
Manufactured Gas Plant Remediation	0.008753
Universal Service Fund - Permanent	0.010800
Universal Service Fund - Lifeline	<u>0.005800</u>
Societal Benefits Charge	\$ 0.044873 <u>\$ 0.056327</u>
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT)	\$ 0.047846 <u>\$ 0.060059</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.

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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	\$ 0.002718
Energy Efficiency and Renewable Energy Programs	0.002941
Manufactured Gas Plant Remediation	<u>0.000471</u>
Sub-total per kilowatt-hour	\$ 0.006130

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%	\$ 0.006510	\$ 0.001243	\$ 0.000698	\$ 0.008451
LPL Primary	3.3153%	0.006340	0.001243	0.000698	0.008281
HTS Subtransmission	2.0472%	0.006258	0.001243	0.000698	0.008199
HTS High Voltage & HTS Transmission	0.8605%	0.006183	0.001243	0.000698	0.008124

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service	\$ 0.009011
LPL Primary	0.008830
HTS Subtransmission	0.008742
HTS High Voltage & HTS Transmission	0.008662

SOCIETAL BENEFITS 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	0.030974
Manufactured Gas Plant Remediation	0.008753
Universal Service Fund - Permanent	0.010800
Universal Service Fund - Lifeline	<u>0.005800</u>
Societal Benefits Charge	\$ 0.056327
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT)	<u>\$ 0.060059</u>

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