



Agenda Date: 2/12/25

Agenda Item: 2B

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

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)	ORDER APPROVING
SERVICE ELECTRIC AND GAS COMPANY FOR)	STIPULATION FOR FINAL
APPROVAL OF CHANGES IN ITS ELECTRIC)	RATES
CONSERVATION INCENTIVE PROGRAM (2024 PSE&G)	
ELECTRIC CIP RATE FILING))	DOCKET NO. ER24020073

Parties of Record:

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

BY THE BOARD:

On February 1, 2024, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking approval of adjustments to the Company's Electric Conservation Incentive Program ("ECIP") customer class rates to account for potential lost sales revenues stemming from the Company's energy efficiency ("EE") programs ("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(collectively, "Parties") which resolves all issues related to the Petition.

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, Governor Corzine signed L. 2007, c. 340 ("RGGI Act") into law, thereby declaring that EE and conservation measures are essential elements of New Jersey's energy future.¹

Pursuant to Section 13 of the RGGI Act, an electric or gas public utility may provide, and invest in, EE and conservation programs in its service territory on a regulated basis.² If approved by the Board, utility renewable energy, EE, and conservation programs may be eligible for rate treatment, including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from electric and gas sales.³ Ratemaking treatment may also involve placing appropriate technology and program cost investments in the respective utility's rate base, or recovering the

¹ N.J.S.A. 26:2C-45.

² N.J.S.A. 48:3-98.1(a)(1).

³ N.J.S.A. 48:3-98.1(b).

utility's technology and program costs through another ratemaking methodology approved by the Board, including, but not limited to, the Societal Benefits Charge established pursuant to L. 1999, c. 23.⁴

On May 23, 2018, Governor Murphy signed L. 2018, c. 17 ("Clean Energy Act" or "CEA") into law.⁵ The CEA, among other goals, aims to reduce emissions via certain energy usage reduction targets, emphasizes the importance of EE and peak demand reduction ("PDR") programs, and requires the Board to adopt an EE program "to ensure investment in cost-effective [EE] measures, ensure universal access to [EE] measures, and serve the needs of low-income communities."⁶ The CEA also calls upon New Jersey's electric and gas public utilities to increase the delivery of EE and PDR programs to customers via the reduction of electricity and natural gas usage in their respective territories.⁷

On May 23, 2018, Governor Murphy issued Executive Order 28 ("EO 28"), which mandated the development of a new Energy Master Plan ("EMP") to "provide a comprehensive blueprint for the total conversion of the state's energy production profile to 100% clean energy sources on or before January 1, 2050," by providing "specific proposals to be implemented over the next ten (10) years."⁸

By Order dated September 23, 2020, the Board approved PSE&G's proposed electric and gas conservation improvement programs ("CIP") to account for lost revenue resulting from the potential decrease in customer energy usage as a result of the Company's EE programs and required the Company to annually file a petition to update its ECIP rates.⁹ Additionally, by the CEF-EE Order, the Board approved a stipulation by which the Company agreed, in part, that recovery of non-weather-related gas and electric CIP impacts is subject to a Variable Margin Test, which limits recovery to an amount equal to 6.5% of variable margins for the CIP accrual year.

⁴ N.J.S.A. 48:3-60.

⁵ N.J.S.A. 48:3-87 *et seq.*

⁶ N.J.S.A. 48:3-87(g).

⁷ N.J.S.A. 48:3-87.9.

⁸ Exec. Order No. 28 (May 23, 2018).

⁹ In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future-Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18121113, Order dated September 23, 2020 ("CEF-EE Order").

PETITION

By the Petition, in accordance with the CEF-EE Order, PSE&G sought Board approval for an ECIP rate adjustment related to changes in average revenue compared to a per-customer baseline.¹⁰ By the ECIP Petition, the Company indicated that its total ECIP deferral balance is \$144,213,983. In accordance with the Variable Margin Test, the Company's recovery is limited to \$71,941,223. The remaining \$72,272,760 would be deferred to future ECIP recovery.

<u>February 2024 - ECIP Balances</u>	<u>Total</u>
<i>Total ECIP Deferral</i>	\$144,213,983
Recoverable ECIP Non-Weather	\$66,283,930
ECIP Weather	(\$1,175,275)
Prior Period (Over) / Under Recovery	\$6,832,567
<u>ECIP (Refund) / Charge</u>	\$71,941,223
ECIP Carry-Forward	\$72,272,760

By the Petition, the Company included the following proposed ECIP rates along with their associated customer classes:

		ECIP Rates Without SUT	ECIP Rates With SUT	
Group I	RS&RHS	\$0.001450	\$0.001546	Per kilowatt-hour
Group Ia	RLM	\$0.002269	\$0.002419	Per kilowatt-hour
Group II	GLP	\$0.9356	\$0.9976	Per kilowatt of monthly peak demand
Group III	LPL-S	\$1.1184	\$1.1925	Per kilowatt of monthly peak demand

Following publication of notice in newspapers of general circulation within PSE&G's service territory and service of notice upon affected municipalities and counties within the Company's service area, two (2) virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on April 11, 2024. One (1) member of the public attended, but did not comment. Additionally, the Board has received no written comments in this matter.

¹⁰ The electric baseline per customer is determined via the billing determinants from the Company's Energy Strong II rate adjustment approved on April 26, 2023 for new rates effective May 1, 2023 in Docket Nos. ER22110669 and GR22110670 for the months of June 1, 2023 through October 31, 2023 and the Energy Strong II rate adjustment approved on October 25, 2023 for new rates effective November 1, 2023 in Docket No. ER23050273.

By Order dated July 24, 2024, the Board approved a provisional stipulation, executed by the Parties, which authorized PSE&G to implement its proposed ECIP, subject to refund, while the matter remained under review.¹¹ As a result of the Provisional Order, a typical residential customer would experience an increase in their average monthly bill of approximately \$0.73.

JULY 2024 UPDATE

Through the course of the proceeding, the Company updated its schedules to reflect actual data through May 31, 2024 ("Update"). The following ECIP balances based upon the Update are set forth in the chart below:

<u>July 2024 - ECIP Balances</u>	<u>Total</u>
<i>Total ECIP Deferral</i>	\$136,951,942
Recoverable ECIP Non-Weather	\$66,344,759
ECIP Weather	\$6,045,504
Prior Period (Over) / Under Recovery	(\$1,816,483)
<u>ECIP (Refund) / Charge</u>	\$70,573,780
ECIP Carry-Forward	\$66,018,162

STIPULATION

Following a review of the Petition and the Update, the Parties executed the Stipulation, which provides for the following:¹²

1. The provisional rates effective August 1, 2024, designed to recover \$71,941,223, should be approved as final. When comparing the provisionally approved rates to the full results through May 31, 2024, this results in a carry-forward balance of \$64,650,719 to be recovered in a subsequent ECIP filing. For a calculation of the carry-forward balance, please see Exhibit C to the Stipulation which reflects the actual results through May 31, 2024 as compared to the revenue recovery provisionally approved.
2. Tariff sheets showing the agreed upon ECIP rates are included as Exhibit D to the Stipulation.
3. In accordance with the final rates set forth in Exhibit D to the Stipulation, a typical residential electric customer using 683 kilowatt-hours in a summer month and 558 kilowatt-hours in an average month, or 6,700 kilowatt-hours annually, would see no change in their average monthly bill of \$134.25, based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing ("BGS-RSCP") charges in effect January 1, 2025, and assuming the customer receives BGS-RSCP service from PSE&G.

¹¹ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Conservation Incentive Program (2024 PSE&G Electric CIP Rate Filing), BPU Docket No. ER24020073, Order dated July 24, 2024 ("Provisional Order").

¹² 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 findings and conclusions herein. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

DISCUSSION AND FINDINGS

Having reviewed the record to date in this matter, including the Petition, the Provisional Order, the Update, and the Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the attached 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 AUTHORIZES**, on a final basis, PSE&G's ECIP rates as delineated in the Stipulation. As a result of the Stipulation, customers will see no further bill impact.

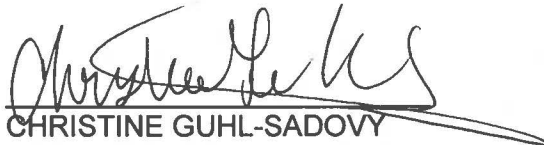
The Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation on or before February 28, 2025.

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

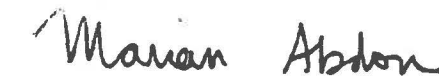
This Order shall be effective on February 19, 2025.

DATED: February 12, 2025

BOARD OF PUBLIC UTILITIES
BY:

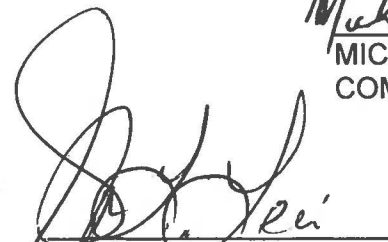

CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOLOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRI L. LEWIS
BOARD 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 CONSERVATION INCENTIVE PROGRAM (2024 PSE&G
ELECTRIC CIP RATE FILING)

DOCKET NO. ER24020073

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January 30, 2025

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Changes to its Electric Conservation
Incentive Program
(2024 PSE&G Electric CIP Rate Filing)

BPU Docket No. ER24020073

VIA ELECTRONIC MAIL

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

Dear Secretary Lewis:

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, appearing to read "Danielle Lopez", is written over a light blue rectangular background.

Danielle Lopez

cc: Attached service list

Public Service Electric and Gas
Company for Approval of Changes in its
Electric Conservation Incentive
Program (2024 PSE&G Electric
CIP Rate Filing)
BPU Docket No. ER24020073

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**IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF CHANGES)
IN ITS ELECTRIC CONSERVATION)
INCENTIVE PROGRAM (2024 PSE&G) BPU DOCKET NO. ER24020073
ELECTRIC CIP RATE FILING))**

APPEARANCES:

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

By Order dated September 23, 2020, the New Jersey Board of Public Utilities (“Board” or “BPU”) approved a stipulation which, among other things, authorized PSE&G to implement a Conservation Incentive Program (“CIP”) whereby Public Service Electric and Gas Company (“PSE&G” or “Company”) could account for potential lost sales revenue resulting from the implementation of energy efficiency measures and associated potential decreases in customer energy usage (“CEF-EE Stipulation”).¹ Paragraph 39 of the CEF-EE Stipulation authorized the Company to make an electric CIP (“ECIP”) cost recovery filing by February 1, 2022, for new rates effective June 1, 2022, with adjustments to be made annually thereafter. The CEF-EE Stipulation

1

further provided that the recovery of lost revenues, if any, would be made via a CIP based on the methodology set forth therein as detailed in Attachments 5 and 6E to the CEF-EE Stipulation.

For the Company's ECIP, baseline revenue per customer is derived from the billing determinants utilized in PSE&G's 2018 base rate case and the latest variable margin rates per rate schedule, including any Infrastructure Investment Program ("IIP") rate adjustments. The baseline usage and margin rates are updated with each subsequent base rate case or IIP rate adjustment.² To determine recovery eligibility for CIP accruals, the margin impact of changes in customer usage is segregated into "non-weather-related" and "weather-related" components.

The non-weather-related component is calculated by deducting the weather-related component from the total CIP accrual. Gas weather-related impact is calculated in the manner used for the Company's existing Weather Normalization Charge. The ECIP weather-related impact is calculated in a manner consistent with the methodology used for gas. PSE&G will establish sales coefficients based upon twenty (20) years of weather history of sales for residential customers only. Weather will be accounted for by assessing impacts on sales and associated distribution revenue from heating degree days ("HDD") for winter weather and the temperature humidity index ("THI") for summer weather. The twenty (20)-year HDD and THI averages are considered "normal" for the purposes of this assessment. The difference in actual and normal HDD and THI, multiplied by the sales coefficients, comprises the sales impacts. To derive the revenue impact, the Company then multiplies sales impacts by the current tariff rates. CEF-EE Stipulation, Schedule 4, Attachment 6E. Recovery of non-weather-related ECIP impacts shall be

² During the pendency of this matter, the Company settled its 2024 base rate case. However, because this matter involves the CIP period ending May 31, 2024, the billing determinants from the Company's 2018 base rate case are still applicable.

subject to the application of two (2) eligibility tests: a Basic Generation Service (“BGS”) Savings Test and a Variable Margin Test.

The dual cost recovery tests work together to limit the total non-weather-related recoverable amount to the smaller of the two (2) recoverable amounts allowed under the separate BGS Savings Test and Variable Margin Test for Electric. Any amount exceeding the lesser of the BGS Savings Test and Variable Margin Test may be deferred for future recovery subject to the earnings test described below. By the CEF-EE Stipulation, the Company agreed not to seek recovery of interest on any deferred carry-forward amount.

The Company also agreed to include an earnings test for both the weather-related and non-weather-related components of the CIP. Under the earnings test, the Company’s actual Return on Equity (“ROE”) is determined based upon the actual jurisdictional net income of the utility for the most recent twelve (12)-month period, divided by the average of the beginning and ending common equity balances related to jurisdictional activity for the corresponding period, as specified in the Company’s electric and gas tariffs. If the calculated ROE exceeds the allowed ROE from the utility’s last base rate case by fifty (50) basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period and shall not be carried over to subsequent filing periods.

To implement initiatives furthering customer conservation efforts, the Company provides funding in the amount of \$3.3 million per year (“Shareholder Contribution”) so long as the CIP remains in place, commencing with the start of the CIP deferrals. Fifty-five percent (55%) of Shareholder Contribution expenditures will be allocated to electric distribution (approximately \$1.8 million) and forty-five percent (45%) to gas distribution (approximately \$1.5 million). Any underspend in a year will be factored into the following year’s spending amount. The Shareholder

Contribution will not be included in customer rates and will support initiatives to aid customers by reducing their costs of natural gas and electricity, and to reduce peak demand. The parties to the CEF-EE Stipulation further agreed that PSE&G's first ECIP cost recovery filing would be based upon an initial deferral period of June 1, 2021 through May 31, 2022, and that the Company would not record any ECIP deferral prior to June 1, 2021. The Company would then adjust the ECIP annually thereafter via filings with the Board. The filings would document actual results, perform the required ECIP collection test described in more detail hereinafter, and propose new ECIP rates. Any variances from the annual filing will be trued-up in the subsequent year.

The CIP margin deficiency to be collected from customers, or the margin excess to be refunded to customers, is calculated each month by applicable rate schedule by subtracting the baseline revenue per customer from the actual revenue per customer and multiplying the resulting revenue per customer by the actual number of customers for the month.

FEBRUARY 2024 PETITION

On February 1, 2024, PSE&G filed a petition with the Board requesting a rate adjustment related to changes in the average revenue per customer compared to a baseline revenue per customer, pursuant to N.J.S.A. 48:2-21 and the Company's Clean Energy Future-Energy Efficiency Program ("CEF-EE") ("February 2024 Petition").

By the February 2024 Petition, PSE&G identified that it forecasted the total ECIP deferral to be \$144,213,983. The Company further noted that the deferral balance includes \$100,546,357 of non-weather-related margin deficiencies, partially offset by \$1,175,275 of weather-related refunds to residential customers; \$42,672,344 in deferred margin recovery from the prior ECIP period, comprised of a non-weather carry-forward balance of \$38,010,333 and an under-recovery

of \$4,662,011 as a result of not updating provisionally approved rates; and an under-collection of the approved prior ECIP balance of \$2,170,557.

According to PSE&G, it did not forecast that application of the Variable Margin Test and the BGS Savings Test would result in any limitation in the recovery of the non-weather-related component. The Company also forecasted that it would pass the Earnings Test for recovery of the weather-related and non-weather-related components.

Notice of the February 2024 Petition, including the date, time and details for virtual public hearings, was placed in newspapers having a circulation within the Company's service territory and served on the Clerks of the municipalities, the Clerks of the Board of County Commissioners, and the County Executives within the Company's electric service territory. Virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on April 11, 2024. No members of the public appeared or provided comments at the public hearings and the Board received no written comments in this matter.

By Order dated July 24, 2024, the Board approved a stipulation executed by PSE&G, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") wherein the Parties recommended implementation of the ECIP rates to recover \$71,941,223 million, effective August 1, 2024, on a provisional basis subject to refund with interest as noted in the below chart.³

³ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Conservation Incentive Program (2024 PSE&G Electric CIP Rate Filing) – Order Approving Provisional Stipulation, BPU Docket No. ER2420073, Order dated July 24, 2024 ("July 2024 Order").

		ECIP Rates Without SUT	ECIP Rates With SUT	
Group I	RS&RHS	\$0.001450	\$0.001546	Per kilowatt-hour
Group Ia	RLM	\$0.002269	\$0.002419	Per kilowatt-hour
Group II	GLP	\$0.9356	\$0.9976	Per kilowatt of monthly peak demand
Group III	LPL-S	\$1.1184	\$1.1925	Per kilowatt of monthly peak demand

A copy of the schedule calculating rates as approved by the Board on July 24, 2024 is attached hereto as Exhibit A.

Subsequently, on July 31, 2024, the Company submitted an update to its schedules. The Company's updated deferral is \$136,591,942, consisting of \$89,690,577 of non-weather-related margin deficiencies, \$6,045,504 of weather-related charges to residential customers; \$42,672,344 in deferred margin recovery from the prior ECIP period, comprised of a non-weather carry-forward balance of \$38,010,333 and an under-recovery of \$4,662,011 as a result of not updating provisionally approved rates; and an over-collection of the approved prior ECIP balance of \$1,816,483. A copy of the updated schedule calculating rates as provided in the Company's July 31, 2024 submission is attached hereto as Exhibit B.

STIPULATED TERMS

The Parties completed their review of the February 2024 Petition and responses to discovery, and now HEREBY STIPULATE AND AGREE as follows:

1. The provisional rates effective August 1, 2024, designed to recover \$71,941,223, should be approved as final. When comparing the provisionally approved rates to the full results through May 31, 2024 this results in a carry-forward balance of \$64,650,719 to be recovered in a subsequent ECIP filing. For a calculation of the carry-forward balance, please see

Exhibit C, attached hereto, which reflects the actual results through May 31, 2024 as compared to the revenue recovery provisionally approved.

2. Tariff sheets showing the agreed upon ECIP rates are included herein as Exhibit D.

3. In accordance with the final rates set forth in Exhibit D, a typical residential electric customer using 683 kilowatt-hours in a summer month and 558 kilowatt-hours in an average month, or 6,700 kilowatt-hours annually, would see no change in their average monthly bill of \$134.25, based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (“BGS-RSCP”) charges in effect January 1, 2025 and assuming the customer receives BGS-RSCP service from PSE&G.

4. This 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.

5. If this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), then 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. This Stipulation is binding for all purposes herein.

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

7. 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, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item.

8. 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.

9. Lastly, the Parties 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.

WHEREFORE, the Parties hereto respectfully submit this Stipulation to the Board of Public Utilities and recommend that the Board issue a Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BY:



Danielle Lopez, Esq.
Associate Counsel, Regulatory

DATED: January 30, 2025

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

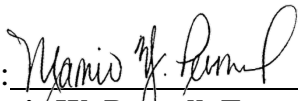
BY:



Matko Ilic
Deputy Attorney General

DATED: January 30, 2025

**NEW JERSEY DIVISION OF RATE
COUNSEL BRIAN LIPMAN, DIRECTOR**

BY: _____

Mamie W. Purnell, Esq.
Assistant Deputy Rate Counsel

DATED: January 30, 2025

**PUBLIC SERVICE ELECTRIC AND GAS
CONSERVATION INCENTIVE PROGRAM
CALCULATION OF ECIP RATES**

	Initial ECIP Deferral	RS & RHS	RLM	GLP	LPLS	Total	Reference
a	Actual CIP Carryforward Balance	\$7,750,180	\$188,013	\$16,175,485	\$13,896,656	\$38,010,333	Approved Board Order, Exhibit B
b	Actual vs Approved (Over) / Under recovery	\$4,303,775	\$31,033	(\$1,386,030)	\$1,713,233	\$4,662,011	b = c - a
c	Approved CIP Carry-Forward	\$12,053,955	\$219,046	\$14,789,455	\$15,609,888	\$42,672,344	Approved Board Order, Exhibit C
d	Final CIP Carry-Forward	\$12,197,973	\$228,201	\$15,704,230	\$16,712,497	\$44,842,900	Attachment A Schedules 1 through 3
e	(Over) / Under Collection	\$144,018	\$9,155	\$914,775	\$1,102,609	\$2,170,557	e = b + d
(1)	CIP Carry-Forward	\$12,197,973	\$228,201	\$15,704,230	\$16,712,497	\$44,842,900	Attachment A Schedules 1 through 3
(2)	CIP Weather	(\$1,162,633)	(\$12,642)	\$0	\$0	(\$1,175,275)	Attachment A Schedule 4
(3)	CIP Non-Weather	\$24,393,202	\$560,558	\$37,488,657	\$38,103,941	\$100,546,357	Attachment A Schedule 5
(4)	Total CIP Deferral	\$35,428,541	\$776,117	\$53,192,886	\$54,816,438	\$144,213,983	(4) = (1) + (2) + (3)
(5)	CIP Non-Weather Collection	\$24,393,202	\$560,558	\$37,488,657	\$38,103,941	\$100,546,357	(5) = IF (4) < 0, 0, (3)
(6)	CIP Collection %	24.3%	0.6%	37.3%	37.9%	100.0%	
(7)	CIP Savings Test Recoverable Amount					\$66,283,930	Attachment A Schedule 5, Page 2
(8)	CIP Refunds					\$0	Row (4) RS & RHS
(9)	CIP Maximum Recoverable Amount					\$66,283,930	(9) = (7) - (8)
(10)	Recoverable CIP Non-Weather	\$16,080,914	\$369,541	\$24,713,929	\$25,119,547	\$66,283,930	(10) = (IF (4) < 0, (4)), ((6) * (9))

	Final ECIP Rate	RS&RHS	RLM	GLP	LPLS	Total	
(11)	Prior Period (Over) / Under Recovery	\$4,447,793	\$40,188	(\$471,255)	\$2,815,841	\$6,832,567	(b) + (e)
(12)	CIP Weather	(\$1,162,633)	(\$12,642)	\$0	\$0	(\$1,175,275)	(2)
(13)	Recoverable CIP Non-Weather	\$16,080,914	\$369,541	\$24,713,929	\$25,119,547	\$66,283,930	(10)
(14)	CIP (Refund) / Charge	\$19,366,073	\$397,087	\$24,242,674	\$27,935,389	\$71,941,223	(14) = (11) + (12) + (13)
(15)	CIP Carry-Forward	\$16,062,468	\$379,030	\$28,950,213	\$26,881,049	\$72,272,760	(15) = (4) - (14)
(16)	Projected Use (000) *	13,394,029	N/A	175,501	25,978	25,042	Attachment A Schedules 1 through 3
		RS	RHS	RLM	GLP	LPLS	
(17)	CIP Rate	0.001446	0.001446	0.002263	0.9332	1.1155	(17) = (14) / ((16) * 1000)
(18)	CIP Rate w/ Assessment	0.001450	0.001450	0.002269	0.9356	1.1184	(18) = (17) * (1 / (1 - (0.21% + 0.05%)))
(19)	CIP Rate w/SUT	0.001546	0.001546	0.002419	0.9976	1.1925	(19) = (18) * 1.06625

* kWh (RS, RHS & RLM) and kW (GLP & LPLS)

Exhibit B
Schedule SS-ECIP-2 Update

**PUBLIC SERVICE ELECTRIC AND GAS
CONSERVATION INCENTIVE PROGRAM
CALCULATION OF ECIP RATES**

	Final ECIP Deferral	RS & RHS	RLM	GLP	LPLS	Total	Reference
a	Actual CIP Carryforward Balance	\$7,750,180	\$188,013	\$16,175,485	\$13,896,656	\$38,010,333	Approved Board Order, Exhibit B
b	Actual vs Approved (Over) / Under recovery	\$4,303,775	\$31,033	(\$1,386,030)	\$1,713,233	\$4,662,011	b = c - a
c	Approved CIP Carry-Forward	\$12,053,955	\$219,046	\$14,789,455	\$15,609,888	\$42,672,344	Approved Board Order, Exhibit C
d	Final CIP Carry-Forward	\$12,050,724	\$216,625	\$13,683,124	\$14,905,386	\$40,855,860	Attachment A Schedules 1 through 3
e	(Over) / Under Collection	(\$3,230)	(\$2,421)	(\$1,106,330)	(\$704,502)	(\$1,816,483)	e = b + d
(1)	CIP Carry-Forward	\$12,050,724	\$216,625	\$13,683,124	\$14,905,386	\$40,855,860	Attachment A Schedules 1 through 3
(2)	CIP Weather	\$6,017,603	\$27,901	\$0	\$0	\$6,045,504	Attachment A Schedule 4
(3)	CIP Non-Weather	\$17,332,784	\$493,424	\$35,957,375	\$35,906,993	\$89,690,577	Attachment A Schedule 5
(4)	Total CIP Deferral	\$35,401,112	\$737,951	\$49,640,499	\$50,812,380	\$136,591,942	(4) = (1) + (2) + (3)
(5)	CIP Non-Weather Collection	\$17,332,784	\$493,424	\$35,957,375	\$35,906,993	\$89,690,577	(5) = IF (4) < 0, 0, (3)
(6)	CIP Collection %	19.3%	0.6%	40.1%	40.0%	100.0%	
(7)	CIP Savings Test Recoverable Amount					\$66,344,759	Attachment A Schedule 5, Page 2
(8)	CIP Refunds					\$0	Row (4) RS & RHS
(9)	CIP Maximum Recoverable Amount					\$66,344,759	(9) = (7) - (8)
(10)	Recoverable CIP Non-Weather	\$12,821,184	\$364,989	\$26,597,927	\$26,560,659	\$66,344,759	(10) = (IF (4) < 0, (4)), ((6) * (9))

	Final ECIP Rate	RS&RHS	RLM	GLP	LPLS	Total	
(11)	Prior Period (Over) / Under Recovery	(\$3,230)	(\$2,421)	(\$1,106,330)	(\$704,502)	(\$1,816,483)	(b) + (e)
(12)	CIP Weather	\$6,017,603	\$27,901	\$0	\$0	\$6,045,504	(2)
(13)	Recoverable CIP Non-Weather	\$12,821,184	\$364,989	\$26,597,927	\$26,560,659	\$66,344,759	(10)
(14)	CIP (Refund) / Charge	\$18,835,557	\$390,470	\$25,491,596	\$25,856,157	\$70,573,780	(14) = (11) + (12) + (13)
(15)	CIP Carry-Forward	\$16,565,555	\$347,481	\$24,148,903	\$24,956,223	\$66,018,162	(15) = (4) - (14)
(16)	Projected Use (000) *	13,394,029	N/A	175,501	25,978	25,042	Attachment A Schedules 1 through 3
(17)	CIP Rate	0.001406	0.001406	0.002225	0.9813	1.0325	(17) = (14) / ((16) * 1000)
(18)	CIP Rate w/ Assessment	0.001410	0.001410	0.002231	0.9839	1.0352	(18) = (17) * (1 / (1 - (0.21% + 0.05%)))
(19)	CIP Rate w/SUT	0.001503	0.001503	0.002379	1.0491	1.1038	(19) = (18) * 1.06625

* kWh (RS, RHS & RLM) and kW (GLP & LPLS)

Exhibit C
Schedule SS-ECIP-2 Update

**PUBLIC SERVICE ELECTRIC AND GAS
CONSERVATION INCENTIVE PROGRAM
CALCULATION OF ECIP RATES**

	Final ECIP Deferral	RS & RHS	RLM	GLP	LPLS	Total	Reference
a	Actual CIP Carryforward Balance	\$7,750,180	\$188,013	\$16,175,485	\$13,896,656	\$38,010,333	Approved Board Order, Exhibit B
b	Actual vs Approved (Over) / Under recovery	\$4,303,775	\$31,033	(\$1,386,030)	\$1,713,233	\$4,662,011	b = c - a
c	Approved CIP Carry-Forward	\$12,053,955	\$219,046	\$14,789,455	\$15,609,888	\$42,672,344	Approved Board Order, Exhibit C
d	Final CIP Carry-Forward	\$12,050,724	\$216,625	\$13,683,124	\$14,905,386	\$40,855,860	Attachment A Schedules 1 through 3
e	(Over) / Under Collection	(\$3,230)	(\$2,421)	(\$1,106,330)	(\$704,502)	(\$1,816,483)	e = b + d
(1)	CIP Carry-Forward	\$12,050,724	\$216,625	\$13,683,124	\$14,905,386	\$40,855,860	Attachment A Schedules 1 through 3
(2)	CIP Weather	\$6,017,603	\$27,901	\$0	\$0	\$6,045,504	Attachment A Schedule 4
(3)	CIP Non-Weather	\$17,332,784	\$493,424	\$35,957,375	\$35,906,993	\$89,690,577	Attachment A Schedule 5
(4)	Total CIP Deferral	\$35,401,112	\$737,951	\$49,640,499	\$50,812,380	\$136,591,942	(4) = (1) + (2) + (3)
(5)	CIP Non-Weather Collection	\$17,332,784	\$493,424	\$35,957,375	\$35,906,993	\$89,690,577	(5) = IF (4) < 0, 0, (3)
(6)	CIP Collection %	19.3%	0.6%	40.1%	40.0%	100.0%	
(7)	CIP Savings Test Recoverable Amount					\$66,344,759	Attachment A Schedule 5, Page 2
(8)	CIP Refunds					\$0	Row (4) RS & RHS
(9)	CIP Maximum Recoverable Amount					\$66,344,759	(9) = (7) - (8)
(10)	Recoverable CIP Non-Weather	\$12,821,184	\$364,989	\$26,597,927	\$26,560,659	\$66,344,759	(10) = (IF (4) < 0, (4)), ((6) * (9))

	Provisionally/Final Approved ECIP Rates	RS&RHS	RLM	GLP	LPLS	Total	
(11)	Prior Period (Over) / Under Recovery	\$4,447,793	\$40,188	(\$471,255)	\$2,815,841	\$6,832,567	Exhibit A line (11)
(12)	CIP Weather	(\$1,162,633)	(\$12,642)	\$0	\$0	(\$1,175,275)	Exhibit A line (12)
(13)	Recoverable CIP Non-Weather	\$16,080,914	\$369,541	\$24,713,929	\$25,119,547	\$66,283,930	Exhibit A line (13)
(14)	CIP (Refund) / Charge	\$19,366,073	\$397,087	\$24,242,674	\$27,935,389	\$71,941,223	(14) = (11) + (12) + (13)
(15)	CIP Carry-Forward	\$16,035,038	\$340,864	\$25,397,825	\$22,876,991	\$64,650,719	(15) = (4) - (14)
(16)	Projected Use (000) *	13,394,029	N/A	175,501	25,978	25,042	Attachment A Schedules 1 through 3
(17)	CIP Rate	0.001446	0.001446	0.002263	0.9332	1.1155	(17) = (14) / ((16) * 1000)
(18)	CIP Rate w/ Assessment	0.001450	0.001450	0.002269	0.9356	1.1184	(18) = (17) * (1 / (1 - (0.21% + 0.05%)))
(19)	CIP Rate w/SUT	0.001546	0.001546	0.002419	0.9976	1.1925	(19) = (18) * 1.06625

* kWh (RS, RHS & RLM) and kW (GLP & LPLS)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 66

B.P.U.N.J. No. 17 ELECTRIC

Superseding
Original Sheet No. 66

CONSERVATION INCENTIVE PROGRAM

**CHARGE APPLICABLE TO
RATE SCHEDULES RS, RHS, RLM, GLP, LPL-S**

	Conservation Incentive Program	Conservation Incentive Program including SUT	
RS & RHS	\$0.001450	\$0.001546	Per kilowatt-hour
RLM	\$0.002269	\$0.002419	Per kilowatt-hour
GLP	\$0.9356	\$0.9976	Per kilowatt of monthly peak demand
LPL-S	\$1.1184	\$1.1925	Per kilowatt of monthly peak demand

Conservation Incentive Program

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Program mechanism shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Actual Number of Customers

– the Actual Number of Customers (“ANC”) shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program (“CIP”) Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company’s books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

2. Actual Revenue Per Customer

– the Actual Revenue per Customer (“ARC”) shall be determined in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The ARC shall equal the aggregate actual booked variable margin revenue per applicable rate schedule for the month as recorded on the Company’s books divided by the Actual Number of Customers for the corresponding month. Actual revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges as well as any Infrastructure Investment Program revenues, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Zero Emission Certificate Recovery Charge, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Tax Adjustment Credit.

3. Adjustment Period

– shall be the year beginning immediately following the conclusion of the Annual Period.

4. Annual Period

– shall be the twelve consecutive months from June 1 of one calendar year through May 31 of the following calendar year.

5. Average 13 Month Common Equity Balance

– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

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. 66B

B.P.U.N.J. No. 17 ELECTRIC

**Superseding
Original Sheet No. 66B**

**CONSERVATION INCENTIVE PROGRAM
(Continued)**

12. Normal Calendar Month HDD and THI

– the level of calendar month HDD and THI to which the weather portion of this CIP applies.

The normal calendar month HDD and THI will be based on the twenty-year average of the National Oceanic and Atmospheric Administration (“NOAA”) First Order Weather Observation Station hourly observations at the Newark airport and will be updated annually. The base level of normal HDD and THI for the defined winter and summer period months for the 2023-2024 Periods are set forth in the table below:

Month	Normal Heating Degree Days	Normal Temperature Humidity Index
January 2024	1,006	
February 2024	868	
March 2024	683	
April 2024	355	150
May 2024	123	969
June 2023		3,034
July 2023		5,678
August 2023		4,895
September 2023		2,229
October 2023	225	392
November 2023	516	
December 2023	810	

13. Winter Period

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

14. Summer Period

– shall be the seven consecutive calendar months from April of one calendar year through October of the calendar year.

Date of Issue:

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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. 66C

B.P.U.N.J. No. 17 ELECTRIC

**Superseding
Original Sheet No. 66C**

**CONSERVATION INCENTIVE PROGRAM
(Continued)**

15. Consumption Factors

– the use per HDD and THI component by month used in forecasting sales for the applicable rate schedules. These factors will be updated annually. Consumption Factors for the 2023-2024 Winter Period for HDD and 2023 Summer Period for THI are set forth below and presented as kWh per degree day:

	Consumption Factors (kWh per HDD and THI)					
	RS		RHS		RLM	
Month	HDD	THI	HDD	THI	HDD	THI
January 2024	499,559	157,424	10,585	392	5,785	1,705
February 2024	499,834	157,510	10,519	390	5,781	1,704
March 2024	500,110	157,597	10,453	387	5,776	1,702
April 2024	500,385	157,684	10,388	385	5,772	1,701
May 2024	500,661	157,771	10,322	382	5,768	1,700
June 2023	491,345	154,835	11,077	410	5,547	1,635
July 2023	492,413	155,172	11,127	412	5,189	1,529
August 2023	493,412	155,487	11,057	410	6,912	2,037
September 2023	491,384	154,848	11,048	409	5,844	1,723
October 2023	491,727	154,956	10,995	407	5,147	1,517
November 2023	493,005	155,358	11,026	408	6,487	1,912
December 2023	495,295	156,080	10,961	406	5,636	1,661

II. BASELINE REVENUE PER CUSTOMER

– the BRC for each Customer Class Group by month are as follows:

Month	RS & RHS	RLM	GLP	LPL-S
Jun	\$49.93	\$89.43	\$190.42	\$2,980.84
Jul	63.16	105.67	206.67	3,843.31
Aug	60.29	128.31	214.92	4,126.83
Sep	40.90	84.03	204.58	4,099.11
Oct	19.37	17.53	51.55	1,874.50
Nov	19.23	21.36	39.81	856.90
Dec	25.77	21.54	42.60	782.42
Jan	28.16	27.12	41.90	863.44
Feb	23.69	21.09	37.71	797.44
Mar	22.36	22.02	41.51	845.18
Apr	18.62	18.32	40.80	811.21
May	20.66	20.97	42.14	834.96
Total Annual	\$392.14	\$577.40	\$1,154.59	\$22,716.15

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