



STATE OF NEW JERSEY
Board of Public Utilities
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www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC) ORDER
SERVICE ELECTRIC AND GAS COMPANY PURSUANT)
TO N.J.S.A. 48:3-7 AND 48:3-9 FOR AUTHORITY,)
FROM JANUARY 1, 2026 THROUGH DECEMBER 31,)
2027, TO SELL AND/OR ENCUMBER PROPERTY AND)
PURCHASE, ISSUE AND SELL DEBT) DOCKET NO. EF25070383

Parties of Record:

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

BY THE BOARD:

On July 9, 2025, Public Service Electric and Gas Company ("Petitioner") filed a petition ("Petition") with the New Jersey Board of Public Utilities ("Board") requesting that the Board grant Petitioner authority from January 1, 2026, through December 31, 2027, to:

(1) execute and deliver pursuant to N.J.S.A. 48:3-7 one (1) or more indentures or supplemental indentures and/or one (1) or more pledges, Uniform Commercial Code ("UCC") financing statements and related agreements and instruments, creating one or more encumbrances and/or liens on the property and/or assets of Petitioner and providing for pledges, transfers or sales of assets and/or issuance of its First and Refunding Mortgage Bonds ("Mortgage Bonds") and/or Medium-Term Notes ("MTNs") and/or debenture bonds ("Debentures") and/or promissory notes ("Notes") and/or other debt instruments and/or evidences of indebtedness, secured or unsecured (collectively, "New Long-Term Debt"), having maturities of from one (1) to forty (40) years;

(2) purchase through tender offer, open market or negotiated transactions, redeem, including at a premium, or defease any or all of its currently outstanding debt payable more than twelve (12) months after the date of original issuance ("Outstanding Long-Term Debt Securities") at or above par to achieve cost savings or more efficient management of its capital structure; and

(3) issue and sell, pursuant to N.J.S.A 48:3-9, New Long-Term Debt in aggregate principal amount (a) of not more than \$4,575,000,000 and (b) as necessary to

cover principal, premiums and expenses incurred to refinance Outstanding Long-Term Debt Securities acquired as described in (2), above.

By Order dated December 20, 2023, the Board granted Petitioner the authority to issue new long-term debt through December 31, 2025, in the amount of \$3,450,000,000 and as necessary to cover principal, premiums and expenses for refinancing.¹ Petitioner filed the Petition because it anticipates the need to issue additional long-term debt in furtherance of its financial plans subsequent to December 31, 2025.

PETITION

Petitioner requested authority, through December 31, 2027, to issue and sell not more than \$4,575,000,000 aggregate principal amount of its New Long-Term Debt to finance its plant and facilities, for construction and/or for other general corporate purposes and, in connection therewith, to execute and deliver such related ancillary documents as may be necessary or desirable.

Petitioner also requested authority, through December 31, 2027, to: a) redeem at its option, all or any part of the outstanding principal balance of any of the remaining Outstanding Long-Term Debt Securities then eligible to be redeemed at their previously approved redemption prices, including any premium, plus interest thereon to the date of redemption; or b) purchase in the open market or in negotiated transactions or to tender for and/or to defease any of the remaining Outstanding Long-Term Debt Securities; in each case if savings may be achieved or in order to efficiently manage Petitioner's capital structure.

To provide funds for such acquisition opportunities and/or to reimburse its treasury for funds expended therefor, Petitioner requested authority, through December 31, 2027, to issue and sell, in one (1) or more series, New Long-Term Debt in aggregate principal amount not to exceed the aggregate principal amount, plus redemption/market premium paid and expenses incurred for the Outstanding Long-Term Debt Securities so redeemed or acquired and, in connection therewith, to execute and deliver such related ancillary documents as may be necessary or desirable.

Petitioner further requested a "one order" approach allowing the Petitioner to effectuate the transactions authorized by this Order without further Board approval.

To ensure flexibility to access the capital and credit markets under a range of market conditions while achieving the lowest attainable cost of financing, the Petitioner sought authority, as appropriate market opportunities arise, to issue and/or sell New Long-Term Debt, as described above, in one (1) or more market/negotiated transactions (each a "Transaction"), including, but not limited to, domestic and/or non-U.S. public sales, private placement, loans, swaps, puts, calls and multi-mode programs, secured receivables financing and other asset-backed debt transactions, and provide related security interests, guarantees, or other credit support, and create encumbrances related to the Transactions entered into directly by Petitioner or indirectly through a special purpose entity ("SPE") for the benefit of the Petitioner. In connection therewith, Petitioner would utilize one (1) or more agents, dealers, underwriters, purchasers, managers and/or institutions selected by it. Petitioner stated that the cost to Petitioner would be determined

¹ In re Public Service Electric and Gas Company Pursuant to N.J.S.A. 48:3-7 and 48:3-9 for Authority, From January 1, 2024 Through December 31, 2025, to Sell and/or Encumber Property and Purchase, Issue and Sell Debt, BPU Docket No. EF23070451, Order dated December 20, 2023.

based upon the lowest market clearing level achievable given the demand received from investors and would be the lowest obtainable that, in the judgment of Petitioner, would allow for the issuance and/or sale of the New Long-Term Debt.

Petitioner stated that MTNs, if authorized, would be issued in either institutional or retail markets in one or more series through one or more agents, dealers, underwriters, purchasers or managers with maturities of from one (1) to thirty-five (35) years and with various specified conditions including redemption provisions. Petitioner explained that MTNs would be sold at 100% of principal amount or at a premium or discount. Secured MTNs would be secured with a global bond that will be a series of Mortgage Bonds or a global Mortgage Bond. Petitioner represented that Secured MTNs would be issued pursuant to the Indenture of Trust dated as of July 1, 1993, between Petitioner and The Bank of New York Mellon, as successor Trustee, providing for the issuance of MTNs in one or more series from time to time without limit as may be supplemented by supplemental indentures thereto ("MTN Indenture"). Petitioner further provided that unsecured MTNs would be issued pursuant to an indenture between Petitioner and a trustee to be selected by it, providing for the issuance of one or more series from time to time without limit as may be supplemented by supplemental indentures thereto.

Petitioner proposed that the interest rates borne by MTNs be set at a spread over applicable reference U.S. Treasury securities, determined on the date of pricing. Petitioner also proposed that the MTNs bear interest rates set within the maximum yield spreads over U.S. Treasury securities, which Petitioner has stated are based on current and historical market conditions and are designed to allow for ordinary market volatility.

Petitioner stated that it may subsequently file an updated MTN Spread Table with the Board for approval accompanied by a statement of the basis or rationale for the requested change.

To ensure flexibility to take advantage of opportunities to obtain tax-exempt financing, government-subsidized loans and/or government-guaranteed financing (individually and collectively, "Government Financing"), Petitioner requested authority to issue New Long-Term Debt to federal, state, county or other financing authorities, such as to the New Jersey Economic Development Authority, The Pollution Control Financing Authority of Salem County, the U.S. Department of Energy, or to other governmental agencies (each, a "Government Authority") to service and secure and/or guarantee or provide credit-support for loans from or obligations (including guarantees) of such Government Authority on behalf of Petitioner or otherwise as necessary in connection with obtaining Government Financing.

According to Petitioner, such Transactions would comply with the technical requirements of the applicable financing, tax, or other law or regulations, and evidenced by one or more loan or sale agreements entered into between Petitioner and the respective Government Authority and/or others. Depending on the terms, Petitioner may pledge, transfer or sell assets to a Government Authority, an SPE or others and create liens on assets similarly as described for Asset-Backed Debt below.

As provided in the Petition, the timing and specific form of any Transaction, the amount, the price to be paid to Petitioner, the rate of interest, maturity, redemption provisions and prices and the type, terms and conditions of the Transactions have not yet been determined. Such determination will depend upon the market conditions at the time of issuance and sale. Depending upon the then prevailing market conditions, such New Long-Term Debt will have maturities of up to forty (40) years, may include conventional, floating or variable rate, put, call, remarketing, swaps, options or other terms and conditions and consist of one (1) or more of the types of securities,

instruments or evidences of indebtedness and be issued and/or sold pursuant to one or more of the Transactions as described in the Petition.

Petitioner requested authority to issue Long-Term Debt in the form of Mortgage Bonds, including a global Mortgage Bond issued to service and secure MTNs under the First and Refunding Mortgage dated August 1, 1924, from Petitioner to US Bank Trust Company, National Association, as successor Trustee, as supplemented and amended and as to be supplemented by a supplemental indenture for each series of the Mortgage Bonds to be dated the first day of the month of issuance of the Mortgage Bonds ("Mortgage"). The Mortgage is a first lien on substantially all the property and franchises of Petitioner, now owned or hereafter acquired. The terms and conditions for the supplemental indenture for each series will be determined prior to the issuance of each series. The MTNs would be issued under the MTN Indenture or, if necessary, a supplemental indenture thereto, or under a new indenture to be entered into between Petitioner and a trustee to be selected by it.

According to Petitioner, any authorized Debentures would be issued pursuant to one or more indentures and one or more supplemental indentures thereto to be entered into between the Petitioner and a trustee, and would be unsecured obligations of the Petitioner, unless such Debentures were secured obligations in connection with New Asset-Backed Debt, as described below.

By the Petition, any authorized Notes would be issued pursuant to one or more loan agreements and would also be unsecured obligations of the Petitioner, unless such Notes were secured obligations in connection with Government Financing or New Asset-Backed Debt, as described herein.

Petitioner also requested authority to issue and sell New Long-Term Debt consisting of asset-backed securities and/or debt instruments secured by cash, accounts, bills receivable and/or other assets not encumbered by the lien of the Mortgage (collectively, "New Asset-Backed Debt"). New Asset-backed Debt would be issued pursuant to one or more indentures and/or agreements, and/or one or more supplemental indentures. New Asset Backed Debt would be issued directly by Petitioner or indirectly by a direct or indirect SPE subsidiary of Petitioner whose obligations may be guaranteed by Petitioner. Depending on the terms of a New Asset-Backed Debt transaction, which Petitioner stated would depend upon then-current market conditions and cannot be determined at this time, assets may be pledged, transferred or sold to an SPE or other party. The related indenture, pledge and/or other agreement or instrument would create a lien on the assets which would be perfected pursuant to the filing of one or more corresponding financing statements under the UCC. However, any issuance of New Asset-Backed Debt will be made only upon further order of the Board.

According to the Petition, if approved, the New Long-Term Debt will provide financing for Petitioner's physical plant and facilities, construction and/or other general corporate purposes in order to provide safe, adequate and proper public utility service to the public (and/or reimbursement of Petitioner's Treasury for funds expended therefore), the refunding of \$1,300,000,000 of its MTNs maturing in 2026-2027 and the refunding, redemption, purchase or defeasance of its Outstanding Long-Term Debt Securities to achieve cost savings or more efficient management of its capital structure. Petitioner further stated that the proceeds from the sale of New Long-Term Debt will be added to the general funds of the Petitioner and be applied as follows: a) to the payment, at or before maturity, of all or any portion of its indebtedness, if any, outstanding under its commercial paper program and other outstanding short-term promissory notes which were issued to pay at maturity, refund, redeem, defease or purchase the

Outstanding Long-Term Debt Securities, and any required premiums and other expenses therefor; b) to reimburse Petitioner's Treasury for internally generated funds used for the payment at maturity, refunding, redemption, defeasance or purchase of the Outstanding Long-Term Debt Securities and any required premiums and other expenses therefor; c) to provide for the retirement of the Outstanding Long-Term Debt Securities by refunding, redemption, defeasance or purchase; d) to finance Petitioner's physical plant, facilities and construction; and/or e) for other general corporate purposes.

By letter dated October 27, 2025, The New Jersey Division of Rate Counsel ("Rate Counsel") stated that it did not oppose the action requested by the Petitioner, subject to certain conditions. Rate Counsel modified the Maximum Yield Spread table in their letter dated October 27, 2025. The table below ("MTN Spread Table") shows the Rate Counsel recommendations.

<u>Range of Maturities</u> <u>(applicable U.S. Treasury securities)</u>	<u>Maximum Yield Spread</u> <u>(Basis Points)</u>
1 Yr. to less than 18 Mos.	110
18 Mos. To less than 2 Yrs.	120
2 Yrs. To less than 3 Yrs.	130
3 Yrs. To less than 4 Yrs.	135
4 Yrs. To less than 5 Yrs.	140
5 Yrs. To less than 7 Yrs.	150
7 Yrs. To less than 10 Yrs.	160
10 Yrs. To less than 15 Yrs.	190
15 Yrs. To less than 20 Yrs.	225
20 Yrs. To less than 35 Yrs.	250

DISCUSSION AND FINDINGS

The Board, having reviewed and analyzed the Petition, exhibits, and Rate Counsel's comments, **HEREBY FINDS** that the Petitioner's proposed actions are in accordance with law and the public interest. As such, the Board, approving of the stated purposes of Petitioner's proposed actions, **HEREBY ORDERS** that the Petitioner be and is **HEREBY AUTHORIZED**, from January 1, 2026, through December 31, 2027, without further order of the Board, from time to time:

- (1) Execute and deliver pursuant to N.J.S.A. 48:3-7 one or more indentures or supplemental indentures and/or one or more pledges, UCC financing statements and related agreements and instruments creating one (1) or more encumbrances and/or liens on the property and/or assets of Petitioner and providing for pledges, transfers or sales of assets and/or issuance of its New Long-Term Debt in one or more series, having a maturity of not greater than forty (40) years;
- (2) Purchase through tender offer, open market or negotiated transactions, redeem, including at a premium, or defease any or all of its Outstanding Long-Term Debt Securities at or above par to achieve cost savings or more efficient management of its capital structure; and
- (3) Issue and sell pursuant to N.J.S.A. 48:3-9, New Long-Term Debt in aggregate principal amount (a) of not more than \$4,575,000,000 and (b) as necessary to cover principal, premiums and expenses incurred to refinance Outstanding Long-Term Debt Securities acquired as described in (2), above.

The Board **FURTHER FINDS** that the above is subject to the following provisions:

- (1) Subject to provision 10 below, Petitioner may issue the New Long-Term Debt and refinance its Outstanding Long-Term Debt Securities without further Order of this Board, provided that such issuance is in compliance with this Order.
- (2) Petitioner shall issue the New Long-Term Debt solely for the purposes stated in the Petition and authorized in this Order, including as further clarified in provision 13 below.
- (3) Petitioner shall not issue MTNs at coupon rates more than the MTN Maximum Spread Table set forth in Rate Counsel's letter, dated October 27, 2025. If market conditions change, Petitioner may file with the Board an updated MTN Maximum Spread Table requesting Board approval, accompanied by Petitioner's statement of the basis or rationale for the requested changes.
- (4) As promptly as practicable following the issuance of New Long-Term Debt, Petitioner shall file with the Board a statement describing the Transaction concluded, including: a) the names of the agents, dealers, underwriters, purchasers, managers, institution and/or Government Authority with respect to any Government Financing; b) principal amount, maturity date, interest rate (and the interest rate spread over comparable U.S. Treasury Securities), redemption provisions, security interest, and other material terms, including the pledge, transfer or sale of assets, and commissions; and c) the use of proceeds.
- (5) Petitioner shall furnish this Board, as promptly as practicable following the issuance of New Long-Term Debt, a copy of the following: a) all material agreements between the Petitioner and any Government Authority; b) any agent/dealer/underwriter/purchaser/manager agreement; c) each Indenture and/or Supplemental Indenture; d) any UCC financing statement, security agreement and/or pledge; e) all documents as executed and filed with other regulatory agencies relating to the New Long-Term Debt, and f) all material agreements related to the Transaction.
- (6) Regarding refinancing to achieve cost savings or more efficient capital structure, Petitioner will, as promptly as practicable following the financing, provide to the Chief Economist a statement of the rationale and, if applicable, detailed analysis of savings realized from such financing.
- (7) The New Long-Term Debt authorized herein shall not be redeemed prior to maturity without further Board approval unless to achieve cost savings or more efficient capital structure. Petitioner shall maintain the records and documentation necessary to demonstrate the prudence of any such redemption.
- (8) New Asset-Backed Debt shall not be issued except pursuant to further Order of this Board.
- (9) This Order shall not be construed as a certification that the securities authorized to be offered for sale will be represented by tangible or intangible assets of commensurate value or investment costs.

- (10) This Order shall not affect nor in any way limit the exercise of the authority of this Board, or of this State, in any future petition or in any proceeding with respect to rates, franchises, services, financing, capitalization, depreciation or any other matters affecting the Petitioner.
- (11) This Order shall not be construed as directly or indirectly fixing, for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by Petitioner.
- (12) Petitioner shall undertake long-term debt financings in a manner that achieves the lowest reasonable cost of capital for customers. This shall include an obligation by Petitioner to review from time-to-time opportunities for economic refinancing of outstanding long-term debt.
- (13) The proceeds of the long-term debt issuances should be used only for the purposes identified in the Petition and not to fund Petitioner's unregulated operations or affiliates.
- (14) The Board's approval of the authority requested by the Petition does not constitute pre-approval of any cost recovery from customers or set ratemaking. Petitioner's regulated capital structure and capital costs are subject to review in Petitioner's next base rate case or other appropriate proceeding.
- (15) Petitioner is obligated to use a prudent mix of capital to finance its utility operations and investments.
- (16) The authority granted in this Order shall become null and void and of no effect with respect to any portion thereof which is not exercised by December 31, 2027.
- (17) Beginning January 15, 2026, and no later than January 15 of each year following the issuance of this Order, the Petitioner shall submit to the Board Secretary and Rate Counsel, and provide a copy to the Chief Economist, a letter report detailing each debt issuance, term loan, and use of revolving credit opened or concluded in the prior year, along with copies of executed indentures associated with each transaction. The report shall include the name of the issuing entity, issue date, amount of debt issued, the term in years, final maturity date, coupon rate, price to public, underwriters discount, net proceeds after expenses, gross proceeds before expenses, breakdown of estimated issuance costs (including, but not limited to, information such as the underwriting fees, underwriting expenses, legal fees and expenses, recordation taxes and fees, trustee fees, etc.) and any other material provision with respect to the terms and conditions of the new issuance.

This Order shall become effective on November 28, 2025.

DATED: November 21, 2025

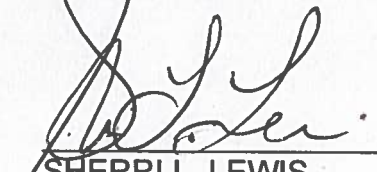
BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
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 PURSUANT TO N.J.S.A. 48:3-7 AND 48:3-9 FOR AUTHORITY, FROM JANUARY 1, 2026 THROUGH DECEMBER 31, 2027, TO SELL AND/OR ENCUMBER PROPERTY AND PURCHASE, ISSUE AND SELL DEBT

DOCKET NO. EF25070383

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