



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/

REVENUE AND RATES

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE)
ELECTRIC AND GAS COMPANY FOR APPROVAL OF)
CHANGES IN ITS GAS CONSERVATION INCENTIVE)
PROGRAM (2025 PSE&G GAS CONSERVATION)
INCENTIVE PROGRAM RATE FILING))
DECISION AND ORDER)
APPROVING STIPULATION)
FOR FINAL RATES)
DOCKET NO. GR25050311)

Parties of Record:

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

BY THE BOARD:

On May 30, 2025, 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 related to the Company’s Gas Conservation Incentive Program (“GCIP”) and associated customers class rates to account for potential lost sales revenues stemming from the Company’s energy efficiency (“EE”) programs (“May 2025 GCIP Petition”). By this Decision and Order, the Board considers a final stipulation of settlement (“Stipulation”) executed by PSE&G, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (collectively, “Parties”), intended to resolve all issues in controversy in this matter.

BACKGROUND AND PROCEDURAL HISTORY

The Regional Greenhouse Gas Initiative Act (“RGGI Act”), N.J.S.A 26:2C-45, includes findings that EE and conservation measures are essential elements of the New Jersey’s energy future, and that greater reliance on EE and conservation will provide significant benefits to the citizens of New Jersey.

Pursuant to 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.¹ Upon Board approval, 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 sales of electricity and

¹ N.J.S.A. 48:3-98.1(a)(1).

gas.² Ratemaking treatment may include placing appropriate technology and program costs investments in the utility's rate base, or recovering the 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 Section 12 of L. 1999, c. 23.³ An electric or gas utility seeking cost recovery for any EE and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

N.J.S.A. 48:3-87, *et seq.*, Clean Energy Act ("CEA") calls for aggressive energy reduction requirements, greater emphasis on the importance of EE and peak demand reduction ("PDR"), and requires the Board to adopt an EE program "to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities."⁴ 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.⁵

On May 23, 2018, Governor Phil Murphy issued Executive Order 28, directing the Board to create a new Energy Master Plan 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" as well as provide "specific proposals to be implemented over the next ten (10) years in order to achieve the January 1, 2050 goal."⁶

By Order dated September 23, 2020, the Board, among other things, established PSE&G's electric and gas Conservation Incentive Program ("CIP") mechanisms to account for lost revenue resulting from the potential decrease in customer energy usage stemming from administering clean energy programs.⁷ Consistent with the CEF-EE Order, PSE&G must file annual petitions to modify its GCIP rates.

May 2025 GCIP Petition

By the May 2025 GCIP Petition, PSE&G sought Board approval to implement adjustments related to changes in average customer revenue compared to a baseline per customer.⁸ According to the May 2025 GCIP Petition, 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 customers from the actual revenue per customer and multiplying the resulting revenue per customer by actual number of customers for the month. The

² N.J.S.A. 48:3-98.1(b).

³ N.J.S.A. 48:3-60.

⁴ N.J.S.A. 48:3-87(g).

⁵ N.J.S.A. 48:3-87.9(a).

⁶ Exec. Order No. 28 (May 23, 2018).

⁷ 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").

⁸ The gas baseline per customer is determined via the billing determinants from the Company's 2023 base rate case and the latest variable margin rates per schedule, including any Infrastructure Investment Program rate adjustment. The 2023 base rate case was approved October 9, 2024, in BPU Docket Nos. ER23120924 and GR23120925.

Company's total proposed GCIP deferral is \$114.9 million, representing \$41.8 million of non-weather related gas distribution margin deficiencies, \$54.9 million associated with weather-related gas distribution margin, and the GCIP Carry-Forward amount of \$18.3 million.

Non-Weather-related gas distribution margin credit	\$41,802,750
Weather-Related Gas Distribution margin deficiencies	\$54,854,462
Current Weather Normalization Clause ("WNC") Balance through April 2025	(\$1,268)
GCIP Carry-forward	\$18,263,442
Total	\$114,919,386

As required by the CEF-EE Order and its associated stipulation, the proposed gas rate adjustment is limited by a Variable Margin Test and Basic Gas Supply Service ("BGSS") Savings Test, however the application of the Variable Margin Revenue Test and the BGSS Savings Test did not result in a limitation on the Company's GCIP recovery of non-weather related revenues. Additionally, by Order dated September 14, 2021, the Board approved stipulation whereby the Parties agreed that as the over/under balance of the WNC approaches zero, PSE&G would make a compliance filing to set the WNC rate to zero and roll any remaining over or under recovery balance, including interest, into the Company's GCIP filing as established in its CEF-EE Order.⁹ In October 2024, the Company rolled the remaining WNC balance of (\$2,039) into the Company's GCIP balance. The current balance from October 2024 through April 2025 totals (\$1,268) and has been included in the balance to be collected from customers.

The proposed GCIP rates and their associated customer classes are illustrated below:

		GCIP Per Therm Rates [incl. Sales and Use Tax ("SUT")]
Group I	Residential Service Gas ("RSG")	\$0.069327
Group II	General Service Gas ("GSG")	\$0.050001
Group III	Large Volume Gas ("LVG")	\$0.003770

Following adequate notice, two (2) public hearings were held at 4:30 p.m. and 5:30 p.m. on September 2, 2025. Two (2) members of the public attended the public hearing sessions, but did not state their name or submit comments. Additionally, the Board has received no written comments.

By Order dated December 17, 2025, the Board approved a stipulation of settlement for provisional rates executed by the Parties.¹⁰ As a result of the Provisional Order, the anticipated impact on a typical residential gas heating customer was an increase of \$0.44 in the average monthly bill.

⁹ In re the Petition of Public Service Electric and Gas Company to Revise its Weather Normalization Charge for the 2021-2022 Annual Period, BPU Docket No. GR21060952, Order dated September 14, 2021.

¹⁰ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Gas Conservation Incentive Program (2025 PSE&G Gas Conservation Incentive Program Rate Filing), BPU Docket No. GR25050311, Order dated December 17, 2025 ("Provisional Order").

Through the course of this proceeding, the Company updated its schedules to reflect actual data through September 30, 2025 (“Update”). By the Update, the Company provided schedules with actual data through September 30, 2025, calculated as follows:

Non-Weather-related gas distribution margin credit	\$29,240,011
Weather-Related Gas Distribution margin deficiencies	\$59,885,044
Transfer of WNC through September 2025	\$1,213
GCIP Carry-forward	\$17,545,210
Total	\$106,671,478

STIPULATION

Following a complete review of the May 2025 GCIP Petition, the Update, and conducting discovery, the Parties executed the Stipulation, which provides for the following:¹¹

1. The Company will implement GCIP rates to recover \$106,379,677, representing the amounts from the Update for the RSG and GSG rate classes while maintaining the amounts provisionally approved in the Provisional Order for the LVG rate class and as noted in the below chart.

		GCIP Charges Per Therm (Including SUT)	
		Provisionally Approved Charge	Final Charge
Group I	RSG	\$0.069327	\$0.063759
Group II	GSG	\$0.050001	\$0.047738
Group III	LVG	\$0.003770	\$0.003770

2. The above-referenced rates, designed to recover \$106,379,677, should be approved as final. When comparing the provisionally approved rates to the full results through September 30, 2025 provided in the Company’s Update this results in a carry-forward balance of \$291,801 for the LVG rate class to be recovered in a subsequent GCIP filing. A calculation of the carry-forward balance please see Exhibit C attached to the Stipulation.
3. The Company passed the Earnings Test that, if not passed, would preclude recovery of the GCIP deferral.
4. Tariff sheets showing the agreed upon GCIP rates are attached to the Stipulation as Exhibit D.
5. In accordance with the final rates set forth in Exhibit D of the Stipulation, a typical residential gas heating customer using 172 therms in a winter month and 87 average monthly therms (1,040 annually) would see a decrease in the average monthly bill

¹¹ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

from \$106.07 to \$105.59, or \$0.48 or approximately 0.5%. On an annual basis, the typical residential customer using 1,040 therms annually would see a decrease in their annual bill from \$1,272.88 to \$1,267.08, or \$5.80, or approximately 0.5% (based upon Delivery Rates and BGSS-Residential Service Gas charges in effect as of March 1, 2026 and assuming that the customer receives BGSS service from PSE&G).

DISCUSSIONS AND FINDINGS

The Board reviewed the record, including the May 2025 GCIP Petition, the Provisional Order, the Update, and the Stipulation and **HEREBY FINDS** the Stipulation to be reasonable, in the public interest and in accordance with the law. As such, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as if fully set forth herein, subject to any terms and conditions in this Order.

As a result of the Stipulation, a typical residential gas heating customer using 172 therms in a winter month and 87 average monthly therms (1,040 annually) would see a decrease in the average monthly bill of \$0.48.

Accordingly, the Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of this Order prior to June 1, 2026, for rates effective June 1, 2026.

The Company's costs, including those related to the GCIP, 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 Board Order shall be effective on May 25, 2026.

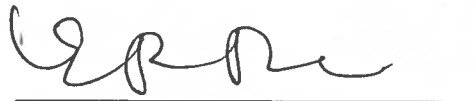
DATED: May 21, 2026

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBHORN
COMMISSIONER


JOSEPH COVIELLO
COMMISSIONER

ATTEST: 
SHERRI L. LEWIS
BOARD SECRETARY

! 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 GAS CONSERVATION INCENTIVE PROGRAM (2025 PSE&G GAS CIP RATE FILING)

BPU Docket No. GR25050311

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April 30, 2026

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Changes in its Gas Conservation
Incentive Program
(2025 PSE&G Gas Conservation Incentive
Program Rate Filing)

BPU Docket No. GR25050311

VIA ELECTRONIC MAIL

Sherri 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 circular stamp.

cc: Attached service list

In the Matter of the Petition of Public
Service Electric and Gas Company for
Approval of Changes in its Gas
Conservation Incentive Program
(2025 PSE&G Gas Conservation
Incentive Program Rate Filing)
BPU Docket No. GR25050311

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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 CHANGES) **BPU DOCKET NO. GR25050311**
IN ITS GAS CONSERVATION)
INCENTIVE PROGRAM)
(2025 PSE&G GAS CIP RATE FILING))**

STIPULATION AND AGREEMENT FOR FINAL RATES

APPEARANCES:

Danielle Lopez, Esq., Associate Counsel—Regulatory General, for the Petitioner, Public Service Electric and Gas Company

Maura Caroselli, Esq., Managing Attorney – Gas, for the New Jersey Division of Rate Counsel
(**Brian O. Lipman, Esq.**, Director, Division of Rate Counsel)

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities
(**Sundeep Iyer, Acting Attorney General of New Jersey**)

On May 30, 2025, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) requesting a rate adjustment in response to changes in the average gas revenue per customer compared to a baseline revenue per customer, pursuant to N.J.S.A. 48:2-21 and PSE&G’s Clean Energy Future-Energy Efficiency Program (“CEF-EE”) (“May 2025 Petition”).

BACKGROUND

By Order dated September 23, 2020, the Board approved a stipulation authorizing PSE&G to implement a Conservation Incentive Program (“CIP”) by which the Company may account for potential lost sales revenue resulting from the implementation of energy efficiency and its

associated decreases in customer energy usage (“CEF-EE Stipulation”).¹ Paragraph 39 of the CEF-EE Stipulation authorized the first gas CIP (“GCIP”) cost recovery filing by June 1, 2022, for new rates effective October 1, 2022, with adjustments annually thereafter. Id. The CEF-EE Stipulation further provided that the recovery of lost revenues, if any, was to be made via a CIP based on the methodology set forth below, and as detailed in Attachments 5 and 6E to the CEF-EE Stipulation.

For the Company’s GCIP, baseline revenue per customer is derived from the billing determinants utilized in PSE&G’s 2023 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. To determine recovery eligibility for CIP accruals, the margin impact of changes in customer usage will be segregated into non-weather-related and weather-related components.

The non-weather-related component will be calculated by deducting the weather-related component from the total GCIP deferral. For gas, the weather-related impact will be calculated in the same manner as it is calculated for the Company’s existing Weather Normalization Charge (“WNC”). Recovery of non-weather-related GCIP impacts shall be subject to the application of two (2) eligibility tests: 1) a Modified BGSS Savings Test; and 2) a Variable Margin Test.

The dual cost recovery tests work together so the total non-weather-related recoverable amount is limited to the smaller of the two (2) recoverable amounts allowed under the separate BGSS Savings Test and Variable Margin Test for Gas. Any amount exceeding the lesser of the BGSS Savings Test and Variable Margin Test may be deferred for future recovery subject to the

¹ 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. EO18101113 and GO18101112, Order dated September 23, 2020.

earnings test described below. The Company agreed not to seek recovery of interest on any deferred carry-forward amount.

The Company also agreed to include an earnings test that applies to 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 more detail 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 to further customer conservation efforts, the Company agreed to provide funding in the amount of \$3.3 million per year ("Shareholder Contribution") if the CIP remains in place, commencing with the start of the CIP deferrals, as defined below. All shareholder contribution expenditures were to be allocated fifty-five percent (55%) to electric distribution, or approximately \$1.8 million, and forty-five percent (45%) to gas distribution, or approximately \$1.5 million. Any under-spend in a year was to be factored into the following year's spending amount. The shareholder contribution is not included in customer rates and supports initiatives designed to aid customers in 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 GCIP cost recovery filing would be based upon an initial deferral period of October 1, 2021 through September 30, 2022, and that the Company would not record any GCIP deferral prior to October 1, 2021. Any variances from the annual filing would be trued-up thereafter. By Order

dated April 12, 2023, the Board approved the initial GCIP filing.² The May 2025 Petition is for the 2025 GCIP cost recovery filing seeking new rates effective October 1, 2025, based on a deferral period of October 1, 2024 through September 30, 2025.

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.

MAY 2025 PETITION

By the May 2025 Petition, PSE&G identified that its total deferral for the GCIP is forecasted to be \$114,919,386 representing \$41,802,750 of non-weather-related gas distribution margin deficiencies, \$54,854,462 related to weather-related gas distribution margin from October 2024 through March 2025 and the GCIP Carry-Forward amount of \$18,263,442 partially offset by the transfer of the current WNC balance from October 2024 through April 2025 totaling (\$1,268). The Company also proposed to eliminate the WNC adjustment starting with the next CIP period beginning on October 1, 2025, due to minimal activity related to the WNC going forward.

The application of the Variable Margin Test and the BGSS Savings Test was not forecasted to 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 Company's May 2025 Petition, including the date, time and details for 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,

² In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Gas Conservation Incentive Program, BPU Docket No. GR22060362, Order dated April 12, 2023.

and the County Executives within the Company's service territory. Virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on September 2, 2025. Two (2) members of the public attended the public hearings but did not state their name or submit comments. Additionally, the Board has received no written comments.

On November 24, 2025, the Company submitted an update to its schedules ("November 2025 Update"). The Company's updated deferral is \$106,671,478, consisting of \$29,240,011 of non-weather-related margin deficiencies, \$59,885,044 related to weather-related gas distribution margin from October 2024 through March 2025, the GCIP Carry-Forward amount of \$17,545,210, and the current WNC balance from October 2024 through September 2025 of \$1,213. The November 2025 Update resulted in an overall decrease of \$8,247,909 representing a decrease in the RSG and GSG rate classes of \$7,925,642 and \$614,067, respectively, while the LVG rate class increased by \$291,801. Copies of the updated schedules provided in the Company's November 2025 Update are attached hereto as Exhibit B.

By Order dated December 17, 2025, the Board approved a stipulation of settlement 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 GCIP rates to recover \$114,919,386, effective January 1, 2026, on a provisional basis subject to refund as noted in the chart below.³

³ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Gas Conservation Incentive Program (2025 PSE&G Gas CIP Rate Filing) – Order Approving Provisional Stipulation, BPU Docket No. GR25050311, Order dated December 17, 2025 ("December 2025 Order").

		GCIP Charges Per Therm (Including SUT)	
		Present Charge	Proposed Charge
Group I	RSG	\$0.064275	\$0.069327
Group II	GSG	\$0.041675	\$0.050001
Group III	LVG	\$0.005739	\$0.003770

A copy of the schedule calculating rates as approved by the Board in the December 2025 Order is attached hereto as Exhibit A.

STIPULATED TERMS

Following review of the May 2025 Petition, the November 2025 Update, and all discovery received, the Parties – now HEREBY STIPULATE AND AGREE as follows:

1. The Company will implement GCIP rates to recover \$106,379,677, representing the amounts from the November 2025 Update for the RSG and GSG rate classes while maintaining the amounts provisionally approved in the December 2025 Order for the LVG rate class and as noted in the below chart.

		GCIP Charges Per Therm (Including SUT)	
		Provisionally Approved Charge	Final Charge
Group I	RSG	\$0.069327	\$0.063759
Group II	GSG	\$0.050001	\$0.047738
Group III	LVG	\$0.003770	\$0.003770

2. The above-referenced rates, designed to recover \$106,379,677, should be approved as final. When comparing the provisionally approved rates to the full results through September 30, 2025 provided in the Company's November 2025 Update this results in a carry-forward balance of \$291,801 for the LVG rate class to be recovered in a subsequent GCIP filing. A calculation of the carry-forward balance please see Exhibit C attached hereto.

3. The Company passed the Earnings Test that, if not passed, would have precluded recovery of the GCIP deferral.

4. Tariff sheets showing the agreed upon GCIP rates are attached hereto as Exhibit D.

5. In accordance with the final rates set forth in Exhibit D, a typical residential gas heating customer using 172 therms in a winter month and 87 average monthly therms (1,040 annually) would see a decrease in the average monthly bill from \$106.07 to \$105.59, or \$0.48 or approximately 0.5%. On an annual basis, the typical residential customer using 1,040 therms annually would see a decrease in their annual bill from \$1,272.88 to \$1,267.08, or \$5.80, or approximately 0.5% (based upon Delivery Rates and BGSS-RSG charges in effect as of March 1, 2026 and assuming that the customer receives BGSS service from PSE&G).

6. This Stipulation of Settlement ("Stipulation") represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion.

7. 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.

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

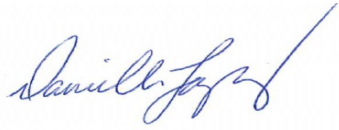
9. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item.

10. 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.

11. 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 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: April 29, 2026

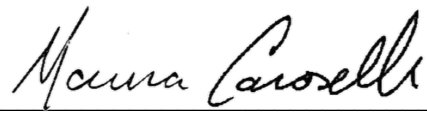
SUNDEEP IYER
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

BY: 

Matko Ilic
Deputy Attorney General

DATED: April 30, 2026

NEW JERSEY DIVISION OF RATE COUNSEL
BRIAN LIPMAN, DIRECTOR

BY: 

Maura Caroselli, Esq.
~~Assistant~~ Deputy Rate Counsel

GR25050311

DATED: April 30, 2026

PUBLIC SERVICE ELECTRIC AND GAS
CONSERVATION INCENTIVE PROGRAM
CALCULATION OF GCIP RATES

GCIP Rate		RSG	GSG	LVG	Total	
a	Actual CIP Carryforward Balance	\$97,614,785	\$11,690,288	\$4,605,546	\$113,910,619	Final Stipulation, Exhibit B
b	Approved CIP Carry-Forward	\$91,925,910	\$11,276,667	\$4,065,829	\$107,268,405	Final Stipulation, Exhibit C
c	Actual vs Approved (Over) / Under recovery	\$5,688,875	\$413,622	\$539,718	\$6,642,214	c = a - b
d	CIP Revenue Recovery	\$81,660,976	\$10,184,236	\$3,801,965	\$95,647,177	Attachment A Schedules 1 through 3, page 3
e	(Over) / Under recovery of Approved CIP Carry-Forward	\$10,264,934	\$1,092,431	\$263,863	\$11,621,228	
(1)	CIP Carry-Forward	\$15,953,809	\$1,506,053	\$803,581	\$18,263,442	= c + e
(2)	CIP Weather	\$47,381,691	\$5,544,756	\$1,928,015	\$54,854,462	See Attachment A, Schedule 5, Page 1
(3)	CIP Non-Weather	\$35,356,478	\$6,518,193	(\$71,921)	\$41,802,750	See Attachment A, Schedule 5, Page 1
(4)	Total CIP Deferral	\$98,691,978	\$13,569,002	\$2,659,675	\$114,920,654	(4) = (1) + (2) + (3)
(5)	CIP Non-Weather Savings Recovery				\$41,802,750	See Attachment A, Schedule 5, Page 1 for Refund or Page 2 for Recovery
(6)	CIP Allocation of Non-Weather Savings Cap	85%	16%	0%	100%	(6) = (3) / Total (3)
(7)	CIP Non-Weather Allocation	\$35,356,478	\$6,518,193	(\$71,921)	\$41,802,750	(7) = Total (5) * (6)
(8)	CIP Weather	\$47,381,691	\$5,544,756	\$1,928,015	\$54,854,462	(2)
(9)	WNC Ending Balance				(\$1,268)	
(10)	CIP Allocation of Weather	86%	10%	4%	100%	(10) = (2) / Total (2)
(11)	CIP Allocation of WNC Ending Balance	(\$1,095)	(\$128)	(\$45)	(\$1,268)	(11) = Total (9) * (10)
(12)	CIP Carry-Forward Recovery	\$15,953,809	\$1,506,053	\$803,581	\$18,263,442	(12) = (1)
(13)	CIP (Refund) / Charge	\$98,690,882	\$13,568,874	\$2,659,630	\$114,919,386	(13) = (7) + (8) + (11)+12
(14)	Projected Use (000) *	1,522,129	290,163	754,313		Attachment A Schedules 1 - 3, Page 1
(15)	CIP Rate	0.064837	0.046763	0.003526		(15) = (13) / ((14) * 1000)
(16)	CIP Rate w/ Assessment	0.065019	0.046894	0.003536		(16) = (15) * (1 / (1 - (0.22% + 0.05%)))
(17)	CIP Rate w/SUT	0.069327	0.050001	0.003770		(17) = (16) * 1.06625

PUBLIC SERVICE ELECTRIC AND GAS
CONSERVATION INCENTIVE PROGRAM
CALCULATION OF GCIP RATES

GCIP Rate		RSG	GSG	LVG	Total	
a	Actual CIP Carryforward Balance	\$97,614,785	\$11,690,288	\$4,605,546	\$113,910,619	Final Stipulation, Exhibit B
b	Approved CIP Carry-Forward	\$91,925,910	\$11,276,667	\$4,065,829	\$107,268,405	Final Stipulation, Exhibit C
c	Actual vs Approved (Over) / Under recovery	\$5,688,875	\$413,622	\$539,718	\$6,642,214	c = a - b
d	CIP Revenue Recovery	\$82,372,003	\$10,209,994	\$3,783,412	\$96,365,410	Attachment A Schedules 1 through 3, page 3
e	(Over) / Under recovery of Approved CIP Carry-Forward	\$9,553,907	\$1,066,672	\$282,416	\$10,902,995	
(1)	CIP Carry-Forward	\$15,242,782	\$1,480,294	\$822,134	\$17,545,210	= c + e
(2)	CIP Weather	\$51,722,758	\$6,020,390	\$2,141,896	\$59,885,044	See Attachment A, Schedule 5, Page 1
(3)	CIP Non-Weather	\$23,798,653	\$5,454,000	(\$12,642)	\$29,240,011	See Attachment A, Schedule 5, Page 1
(4)	Total CIP Deferral	\$90,764,193	\$12,954,684	\$2,951,387	\$106,670,265	(4) = (1) + (2) + (3)
						See Attachment A, Schedule 5, Page 1 for
(5)	CIP Non-Weather Savings Recovery				\$29,240,011	Refund or Page 2 for Recovery
(6)	CIP Allocation of Non-Weather Savings Cap	81%	19%	0%	100%	(6) = (3) / Total (3)
(7)	CIP Non-Weather Allocation	\$23,798,653	\$5,454,000	(\$12,642)	\$29,240,011	(7) = Total (5) * (6)
(8)	CIP Weather	\$51,722,758	\$6,020,390	\$2,141,896	\$59,885,044	(2)
(9)	WNC Ending Balance				1,212.84	
(10)	CIP Allocation of Weather	86%	10%	4%	100%	(10) = (2) / Total (2)
(11)	CIP Allocation of WNC Ending Balance	\$1,048	\$122	\$43	\$1,213	(11) = Total (9) * (10)
(12)	CIP Carry-Forward Recovery	\$15,242,782	\$1,480,294	\$822,134	\$17,545,210	(12) = (1)
(13)	CIP (Refund) / Charge	\$90,765,240	\$12,954,806	\$2,951,431	\$106,671,478	(13) = (7) + (8) + (11)+12
(14)	Projected Use (000) *	1,522,129	290,163	754,313		Attachment A Schedules 1 - 3, Page 1
		RSG	GSG	LVG		
(15)	CIP Rate	0.059630	0.044647	0.003913		(15) = (13) / ((14) * 1000)
(16)	CIP Rate w/ Assessment	0.059797	0.044772	0.003924		(16) = (15) * (1 / (1 - (0.22% + 0.05%)))
(17)	CIP Rate w/SUT	0.063759	0.047738	0.004184		(17) = (16) * 1.06625

PUBLIC SERVICE ELECTRIC AND GAS
CONSERVATION INCENTIVE PROGRAM
CALCULATION OF GCIP RATES

GCIP Rate		RSG	GSG	LVG	Total	
a	Actual CIP Carryforward Balance	\$97,614,785	\$11,690,288	\$4,605,546	\$113,910,619	Final Stipulation, Exhibit B
b	Approved CIP Carry-Forward	\$91,925,910	\$11,276,667	\$4,065,829	\$107,268,405	Final Stipulation, Exhibit C
c	Actual vs Approved (Over) / Under recovery	\$5,688,875	\$413,622	\$539,718	\$6,642,214	c = a - b
d	CIP Revenue Recovery	\$82,372,003	\$10,209,994	\$3,783,412	\$96,365,410	Attachment A Schedules 1 through 3, page 3
e	(Over) / Under recovery of Approved CIP Carry-Forward	\$9,553,907	\$1,066,672	\$282,416	\$10,902,995	
(1)	CIP Carry-Forward	\$15,242,782	\$1,480,294	\$822,134	\$17,545,210	= c + e
(2)	CIP Weather	\$51,722,758	\$6,020,390	\$2,141,896	\$59,885,044	See Attachment A, Schedule 5, Page 1
(3)	CIP Non-Weather	\$23,798,653	\$5,454,000	(\$12,642)	\$29,240,011	See Attachment A, Schedule 5, Page 1
(4)	Total CIP Deferral	\$90,764,193	\$12,954,684	\$2,951,387	\$106,670,265	(4) = (1) + (2) + (3)
(5)	CIP Non-Weather Savings Recovery				\$29,240,011	See Attachment A, Schedule 5, Page 1 for Refund or Page 2 for Recovery
(6)	CIP Allocation of Non-Weather Savings Cap	81%	19%	0%	100%	(6) = (3) / Total (3)
(7)	CIP Non-Weather Allocation	\$23,798,653	\$5,454,000	(\$12,642)	\$29,240,011	(7) = Total (5) * (6)
(8)	CIP Weather	\$51,722,758	\$6,020,390	\$2,141,896	\$59,885,044	(2)
(9)	WNC Ending Balance				1,212.84	
(10)	CIP Allocation of Weather	86%	10%	4%	100%	(10) = (2) / Total (2)
(11)	CIP Allocation of WNC Ending Balance	\$1,048	\$122	\$43	\$1,213	(11) = Total (9) * (10)
(12)	CIP Carry-Forward Recovery	\$15,242,782	\$1,480,294	\$822,134	\$17,545,210	(12) = (1)
(13)	CIP (Refund) / Charge (Update)	\$90,765,240	\$12,954,806	\$2,951,431	\$106,671,478	(13) = (7) + (8) + (11)+12 Line 13, Attachment D Initial filing (LVG), Updated Filing (RSG & GSG)
(14)	CIP (Refund) / Charge (Final)	\$90,765,240	\$12,954,806	\$2,659,630	\$106,379,677	Updated Filing (RSG & GSG)
(15)	CIP Carry-Forward	\$0	\$0	\$291,801	\$291,801	(15) = (14) - (13)
(16)	Projected Use (000) *	1,522,129	290,163	754,313		Attachment A Schedules 1 - 3, Page 1
(17)	CIP Rate	0.059630	0.044647	0.003526		(17) = (14) / ((16) * 1000)
(18)	CIP Rate w/ Assessment	0.059797	0.044772	0.003536		(18) = (17) * (1 / (1 - (0.22% + 0.05%)))
(19)	CIP Rate w/SUT	0.063759	0.047738	0.003770		(19) = (17) * 1.06625

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 48

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

Superseding

XXX Revised Sheet No. 48

CONSERVATION INCENTIVE PROGRAM

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG
(Per Therm)**

	Conservation Incentive Program	Conservation Incentive Program including SUT
RSG	\$0.0597970-065019	\$0.0637590-069327
GSG	\$0.0447720-046894	\$0.0477380-050001
LVG	\$0.003536	\$0.003770

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 usage per customer during the preceding annual period. The Conservation Incentive 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 Usage Per Customer

– the Actual Usage per Customer (“AUC”) shall be determined in terms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The AUC shall equal the aggregate actual booked sales for the month as recorded on the Company’s books divided by the ANC for the corresponding month.

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 October 1 of one calendar year through September 30 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.

6. Baseline Usage per Customer

– the Baseline Usage per Customer (“BUC”) shall be stated in terms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BUC shall be rounded to the nearest one tenth of one therm.

The BUC shall be reset each time new base rates are placed into effect through a base rate case.

Date of Issue:

Issued by RICARDO G. FONSECA – VP Finance – PSEG Services Corp.
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. 48

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

Superseding

XXX Revised Sheet No. 48

CONSERVATION INCENTIVE PROGRAM

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG
(Per Therm)**

	Conservation Incentive Program	Conservation Incentive Program including SUT
RSG	\$0.059797	\$0.063759
GSG	\$0.044772	\$0.047738
LVG	\$0.003536	\$0.003770

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 usage per customer during the preceding annual period. The Conservation Incentive 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 Usage Per Customer

– the Actual Usage per Customer (“AUC”) shall be determined in therms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The AUC shall equal the aggregate actual booked sales for the month as recorded on the Company’s books divided by the ANC for the corresponding month.

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 October 1 of one calendar year through September 30 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.

6. Baseline Usage per Customer

– the Baseline Usage per Customer (“BUC”) shall be stated in therms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BUC shall be rounded to the nearest one tenth of one therm.

The BUC shall be reset each time new base rates are placed into effect through a base rate case.

Date of Issue:

Issued by RICARDO G. FONSECA – VP Finance – PSEG Services Corp.
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. 48A

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

Superseding

XXX Revised Sheet No. 48A

**CONSERVATION INCENTIVE PROGRAM
(Continued)**

7. Customer Class Group

– for purposes of determining and applying the CIP, customers shall be aggregated into three separate recovery class groups. The Customer Class Groups shall be as follows:

Group I: RSG
Group II: GSG
Group III: LVG

8. Forecast Annual Usage

– the Forecast Annual Usage (“FAU”) shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

9. Margin Revenue Factor

– the Margin Revenue Factor (“MRF”) shall be the weighted-average margin rate as quoted in the individual service classes to which the CIP applies. The MRFs by Customer Class Group are as follows:

Group I (RSG): \$0.566425
Group II (GSG): \$0.465413
Group III (LVG): \$0.062803

The MRF shall be reset each time new base rates are placed into effect, including Infrastructure Investment Program (“IIP”) or all other future base rate changes.

10. Degree Days (DD)

– the difference between 65°F and the mean daily temperature for the day. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day.

11. Actual Calendar Month Degree Days

– the accumulation of the actual Degree Days for each day of a calendar month.

12. Normal Calendar Month Degree Days

– the level of calendar month degree days to which the weather portion of the CIP applies.

The normal calendar month Degree Days will be the twenty-year average of the National Oceanic and Atmospheric Administration (“NOAA”) First Order Weather Observation Station at the Newark airport and will be updated annually. The base level of normal HDD for the defined winter period months for the 2025-2026 Winter Period are set forth in the table below:

Month	Normal Heating Degree Days
October 2025	210.23
November 2025	513.84
December 2025	795.83
January 2026	960.40
February 2026	818.33
March 2026	671.85
April 2026	342.54
May 2026	117.40

13. Winter Period

– shall be the eight consecutive calendar months from October of one calendar year through May of the following 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. 48B

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

Superseding

XXX Revised Sheet No. 48B

**CONSERVATION INCENTIVE PROGRAM
(Continued)**

14. Degree Day Consumption Factors

– the use per degree day component of the gas sales equations by month used in forecasting firm gas sales for the applicable rate schedules. Degree day Consumption Factors for the 2025-2026 Winter Period are set forth below and presented as therms per degree day:

Month	RSG-Residential		Commercial			Industrial		
	Heating	Non- Heating	GSG		LVG	GSG		LVG
			Heating	Non- Heating		Heating	Non- Heating	
Oct.-25	168,298	-	-	-	89,323	624	-	8,144
Nov.-25	272,801	2,229	33,029	2,645	89,323	1,219	142	8,144
Dec.-25	272,395	2,908	48,448	3,749	89,323	2,136	252	8,144
Jan.-26	296,002	2,998	48,404	3,915	87,818	2,379	272	7,865
Feb.-26	287,754	2,685	50,251	4,013	87,818	1,916	158	7,865
Mar.-26	297,254	2,833	50,861	4,088	87,818	2,206	243	7,865
Apr.-26	285,070	2,936	51,747	4,097	87,818	1,727	236	7,865
May-26	217,538	3,545	22,054	3,941	87,818	1,204	178	7,865

II. BASELINE USE PER CUSTOMER

The BUC for each Customer Class Group by month are as follows:

Month	RSG	GSG	LVG
Oct.	44.9	72.2	2,145.1
Nov.	90.8	197.6	3,591.7
Dec.	147.0	351.7	5,602.5
Jan.	181.3	421.4	6,572.2
Feb.	158.4	369.4	6,252.5
Mar.	123.7	303.8	5,343.4
Apr.	71.8	163.3	3,356.4
May	36.3	89.0	1,708.4
Jun.	21.4	57.9	1,169.7
Jul.	18.7	47.5	1,309.3
Aug.	16.9	51.1	1,284.5
Sep.	18.8	48.2	1,317.7
Total Annual	930.0	2,173.1	39,653.4

Date of Issue:

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