

**NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY GAS CUSTOMERS
IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF
THE NEXT PHASE OF THE GAS SYSTEM MODERNIZATION PROGRAM AND ASSOCIATED COST RECOVERY
MECHANISM ("GSMP II") (JUNE 2021 GSMP II RATE FILING)**

Notice of Filing and Notice of Public Hearings | Docket No. GR21060949

TAKE NOTICE that on June 28, 2021, Public Service Electric and Gas Company ("PSE&G," or "Company") filed a petition and supporting documentation with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking Board approval for gas base rate changes to provide for cost recovery associated with the Company's Gas System Modernization Program II ("GSMP II" or "Program") ("Petition").

On May 22, 2018, the Board issued an Order ("GSMP II Order") approving the Program in Docket No. GR17070776. The GSMP II Order provided approval to invest up to \$1.575 billion to be recovered through the GSMP II rate recovery mechanism in order to replace PSE&G's utilization pressure cast iron mains and unprotected steel mains and associated services; upgrade utilization pressure portions of the system to elevated pressure; and install excess flow valves and eliminate district regulators, where applicable.

Under the Company's proposal, PSE&G seeks Board approval to recover in base rates an estimated annual revenue increase of approximately \$33.765 million associated with approximately \$324.9 million of actual and forecasted Program investments through May 31, 2021 and August 31, 2021, respectively.

For illustrative purposes, the estimated base rates effective December 1, 2021, including New Jersey Sales and Use Tax ("SUT") for Residential Service ("RSG"), are shown in Table #1.

Table #2 provides customers with the approximate impact of the proposed increase in rates relating to the GSMP II, if approved by the Board. The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage.

Under the Company's proposal, a residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see an initial increase in the annual bill from \$568.00 to \$578.94, or \$10.94 or approximately 1.93%. Also, a typical residential gas heating customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see an increase in the annual bill from \$895.42 to \$914.00, or \$18.58 or approximately 2.08%. The approximate effect of the proposed gas base rate change on typical gas residential monthly bills, if approved by the Board, is illustrated in Table #3.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of the Company's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:2-21 and for other good and

legally sufficient reasons to any class or classes of customers of the Company. Therefore, the described charges may increase or decrease based upon the Board's decision.

The Company's filing is available for review online at the PSEG website at <http://www.pseg.com/pseandgfilings>.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 pandemic, telephonic public hearings have been scheduled on the following date and times so that members of the public may present their views on the Company's Petition.

Date: Wednesday, September 29, 2021
Times: 4:30 p.m. and 5:30 p.m.
Dial In: (888) 475-4499 **Meeting ID:** 955 0492 6746
Passcode: 363936

Representatives from the Company, Board Staff, and Rate Counsel will participate in the telephonic public hearings. Members of the public are invited to participate by utilizing the Dial-In number and Access Code set forth above and may express their views on the Petition. All comments will be made a part of the final record of the proceeding and will be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters and/or listening assistance, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board will also accept written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's External Access Portal after obtaining a MyNewJersey Portal ID. Detailed instructions for e-Filing can be found on the Board's home page at <https://www.nj.gov/bpu/agenda/efiling>. Emailed comments may be filed with the Secretary of the Board, in PDF or Word format, to board.secretary@bpu.nj.gov.

Written comments may also be submitted to the Board Secretary, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All comments should include the name of the Petitioner and the docket number.

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting comments in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.

Table #1 – BASE RATES For Residential RSG Customers Rates if Effective December 1, 2021

Rate Schedule			Base Rates	
			Charges in Effect June 1, 2021(1) Including SUT	Estimated Charges Including SUT
RSG	Service Charge	per month	\$8.62	\$8.62
	Distribution Charge	\$/Therm	0.417722	0.435691
	Off-Peak Use	\$/Therm	0.208861	0.217846
	Basic Gas Supply Service-RSG (BGSS-RSG)	\$/Therm	0.319937	0.319827

(1) Based upon Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect as of June 1, 2021, and assumes that the customer receives commodity service from PSE&G.

Table #2 – Proposed Percentage Change in Revenue by Customer Class For Gas Service For Rates if Effective December 1, 2021

	Rate Class	Percent Increase
Residential Service	RSG	2.05%
General Service	GSG	1.41
Large Volume Service	LVG	0.86
Street Lighting Service	SLG	0.09
Firm Transportation Gas Service	TSG-F	0.36
Non-Firm Transportation Gas Service	TSG-NF	0.41
Cogeneration Interruptible Service	CIG	0.58
Contract Services	CSG	0.31
Overall		1.57

The percent increases noted above are based upon June 1, 2021, Delivery Rates and assumes that customers receive commodity service from PSE&G

Table #3 – Residential Gas Service For Rates if Effective December 1, 2021

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Increase Would Be:	And Your Monthly Percent Increase Would Be:
170	25	\$27.77	\$28.22	\$0.45	1.62%
340	50	46.95	47.83	0.88	1.87
610	100	86.18	87.97	1.79	2.08
1,040	172	142.06	145.13	3.07	2.16
1,210	200	163.76	167.34	3.58	2.19
1,816	300	241.32	246.68	5.36	2.22

(1) Based upon Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect as of June 1, 2021, and assumes that the customer receives commodity service from PSE&G. Does not include any BGSS-RSG Bill Credits.

(2) Same as (1) except includes change for GSMP II Base Rate Adjustments.