

“Understanding and Managing your Gas Costs”

A PSE&G WEBINAR FOR BUSINESS CUSTOMERS
SEPTEMBER 26, 2019

We have the
energy
to make things work
... for you.



PSE&G

Meet Your Presenters

STEVE SWETZ

SENIOR DIRECTOR OF RATES
AND REVENUE REQUIREMENTS



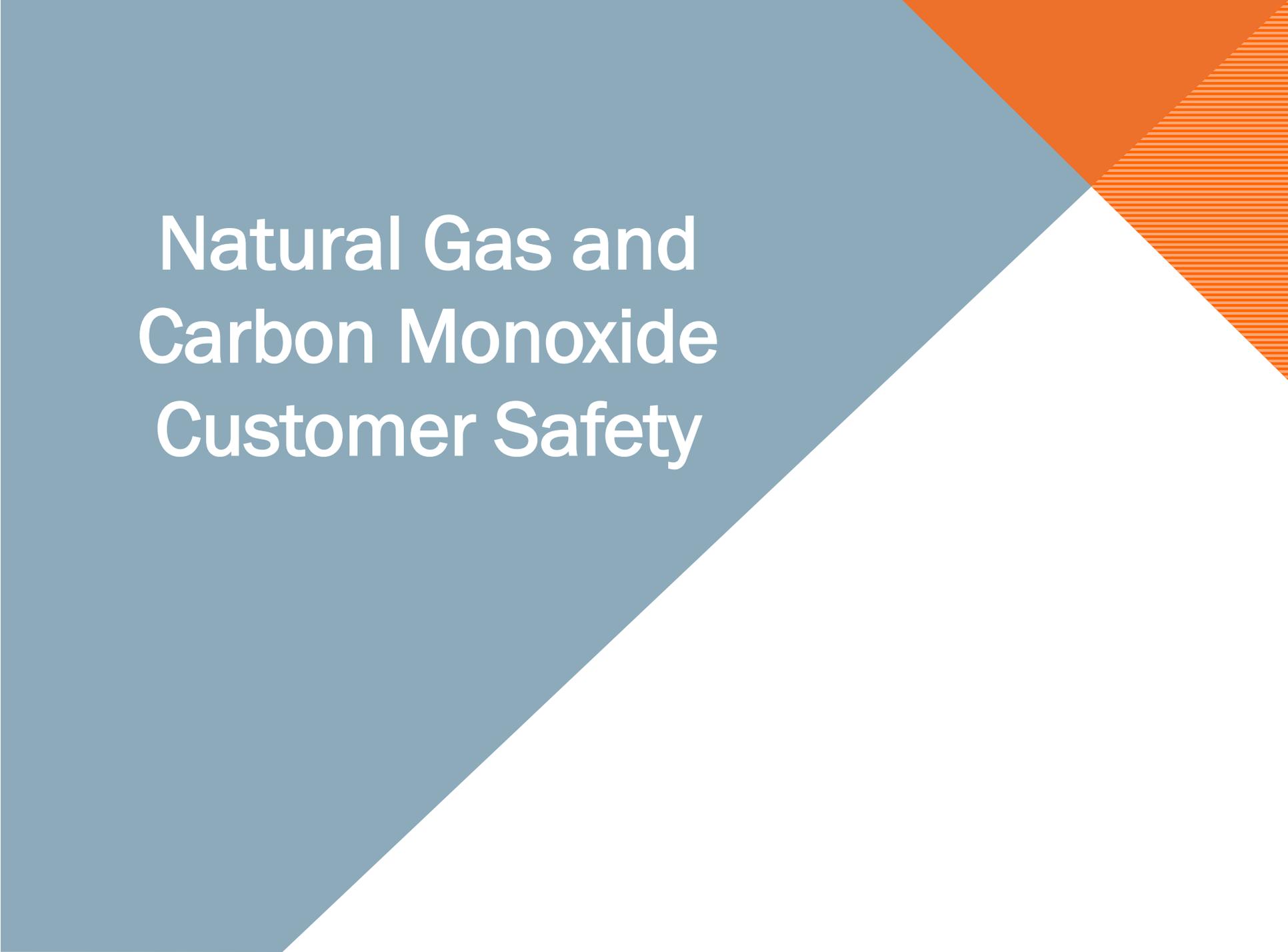
JOE PRUSIK

MANAGER OF COMMERCIAL
AND INDUSTRIAL ENERGY
SERVICES



Agenda

1. Safety Message: Gas Leak and Carbon Monoxide
2. Understanding Your Business's Gas Bill and Charges
3. Energy Saving Behaviors



Natural Gas and Carbon Monoxide Customer Safety

How to Recognize a Gas Leak

- Natural gas is a safe, clean-burning source of energy mainly used for heating and cooking. While natural gas is safe under normal conditions, you should know how to recognize and report potentially hazardous gas leaks.

There might be a gas leak if you...

- **Smell:** A distinctive “rotten egg” smell.
 - **Hear:** Whistling, hissing or roaring.
 - **See:** Blowing dirt, mist, fog, bubbles in standing water, or plants dying for no apparent reason.
- **Did you know?:** An odorant called “mercaptan”, which smells like rotten eggs, is added to natural gas in the pipeline to alert you of a potential gas leak.

What To Do If You Smell Gas

DO:

- Exit the building, move at least 350 feet away, and take others with you
- Leave the door open on the way out
- **Call 911 or PSE&G at 1-800-880-PSEG (7734)**
- Stay away from the leak area until it is made safe

DO NOT:

- Turn any appliances or light switches on or off on the way out
- Use a cell phone or light a match on the way out
- Assume someone else will report the leak

Remember: PSE&G provides **free 24-hour** emergency service every day of the year.

Know What's Below



NJ State Law requires anyone planning to dig (excavation, demolition, blasting) small or large, construction project or homeowner to call 811 three (3) days in advance.

If you see construction and no paint or flags request the excavator to stop. Then instruct the excavator to call 811 to obtain a routine locate request.



Know The Warning Signs for Carbon Monoxide

- Your CO detector alarm is detecting an unsafe carbon monoxide level. **Get out and call 911.**
- People experience headache, nausea, dizziness and weakness (flu-like symptoms). **Get out and call 911.**
- Soot (black carbon powder) appears on or near appliances.
- You smell an alcohol-type odor (aldehydes) similar to engine exhaust
- Moisture appears on inside walls or windows.
- Houseplants are dying.

How Can Carbon Monoxide Be Avoided?

- Make sure you're operating appliances efficiently and that they are well maintained.
- Make sure that appliances using combustible gases are well ventilated to remove the carbon monoxide gas from the living space.
- Have your heating equipment inspected each year by a qualified technician.
- Make sure appliances, vents and chimneys are kept clear of debris.

Understanding Your Business's Gas Bill and Charges

STEVE SWETZ

SR. DIRECTOR CORPORATE RATES
AND REVENUE REQUIREMENTS

Components Of A Gas Bill

Supply Charges

- Charges associated with the cost of natural gas.
- Customers can choose a third party supplier (TPS) or receive Basic Gas Supply Service (BGSS) from PSE&G
- BGSS charges for business customers are updated monthly based on the closing price of the NYMEX.
- BGSS Charges are a pass-through to customers.

Delivery Charges – Applicable to ALL Customers

Distribution

Charges for using PSE&G's gas distribution system to deliver natural gas to a customer's home and/or business. These rates are generally set through a rate case filed with the BPU.

Cost Recovery Clauses

Charges associated with BPU approved programs that allow PSE&G to recover the actual associated program costs to service our customers. PSE&G realizes no profit from these charges.

Defining Delivery Charge Components

- **Service Charge** - Recovers customer specific fixed costs such as metering, billing and customer service.
- **Distribution Charges** - Recovers costs associated with the gas distribution system. Charged on a per therm and per demand therm (LVG only) basis.
- **Balancing Charge** – Recovers the cost of providing storage and peaking services. Charged on a per balancing therm basis in the billing months of November through March. Also includes the Weather Normalization Charge (WNC) that offsets the effects of abnormal weather on your prior year's distribution charges. It can be a charge or a credit and is based upon the prior year's weather

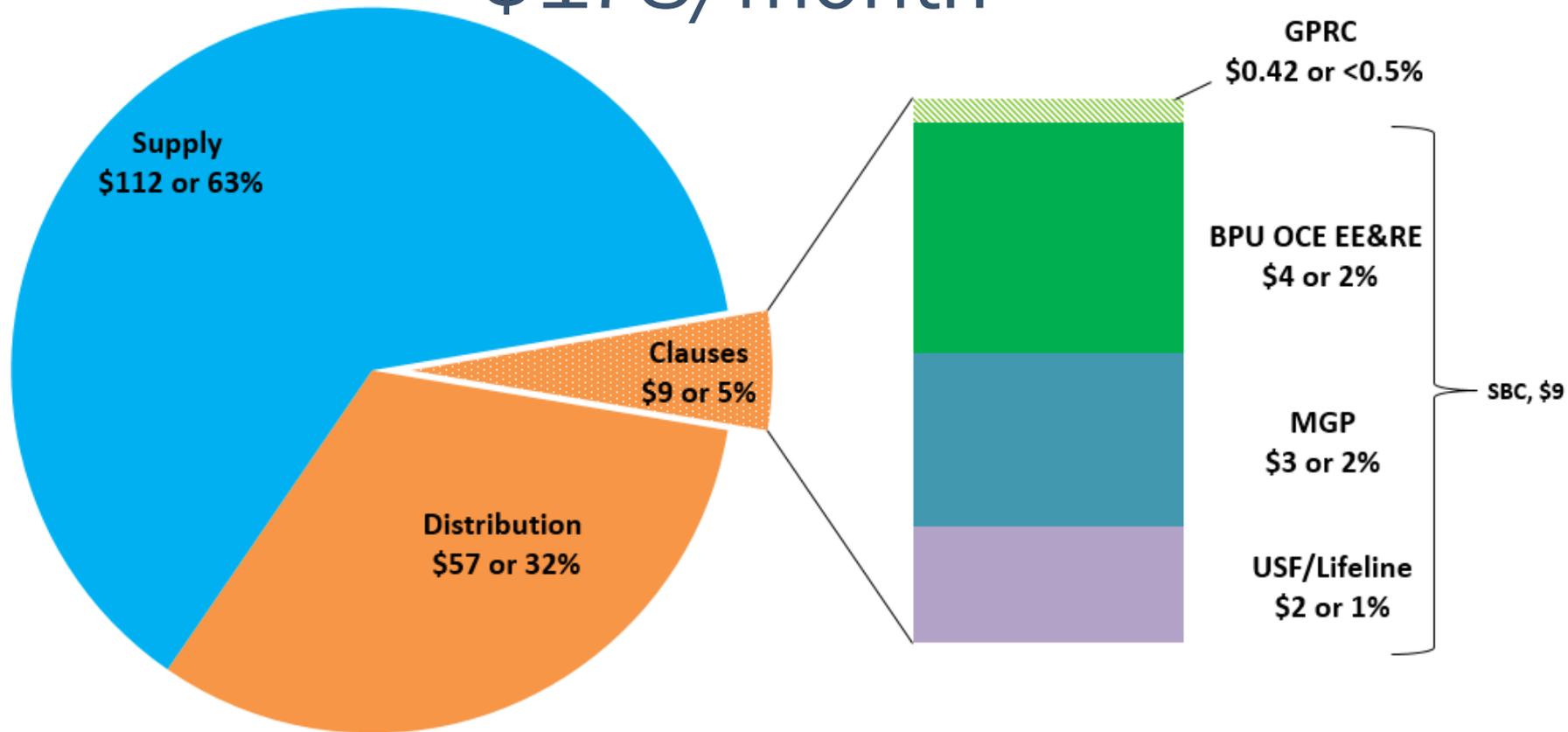
Defining Delivery Charge Components

Clauses

- **Societal Benefits Charge (SBC):**
 - EE/RE-BPU: BPU OCE Energy Efficiency & Renewables
 - MGP: Manufactured Gas Plant Remediation Charge
 - USF/Lifeline: Universal Services Fund/Lifeline Charge run by the BPU
 - Also includes PSE&G's Energy Efficiency (EE) Program under its Green Programs Recovery Charge (GPRC)

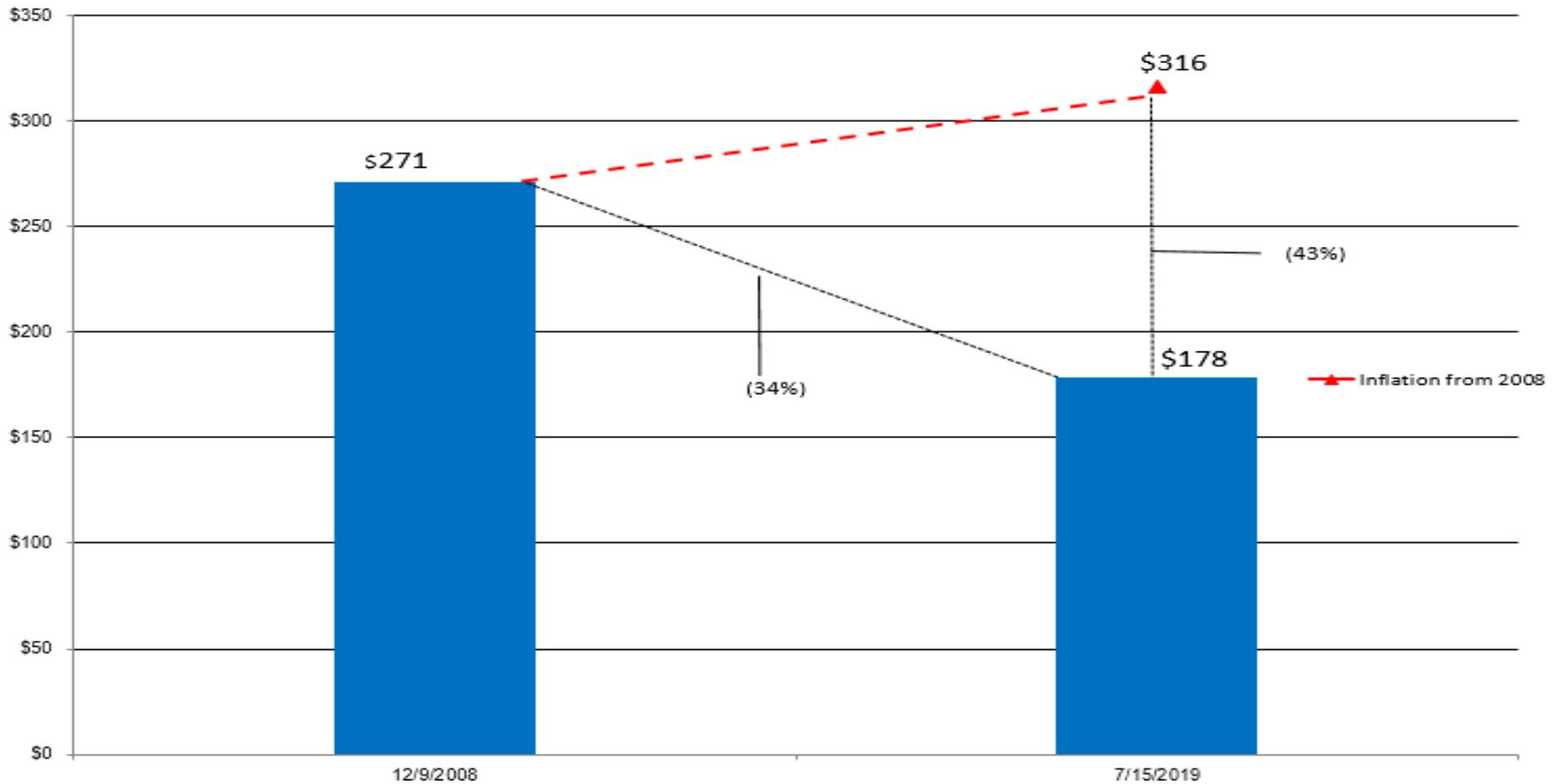
Class Average Small Business Gas Customer: Monthly Bill By Component

\$178/month*



*Based on a class average General Service (GSG) customer using 2,115 therms per year for rates in effect August 1, 2019 and assumes that the customer receives BGSS-F commodity service from Public Service.

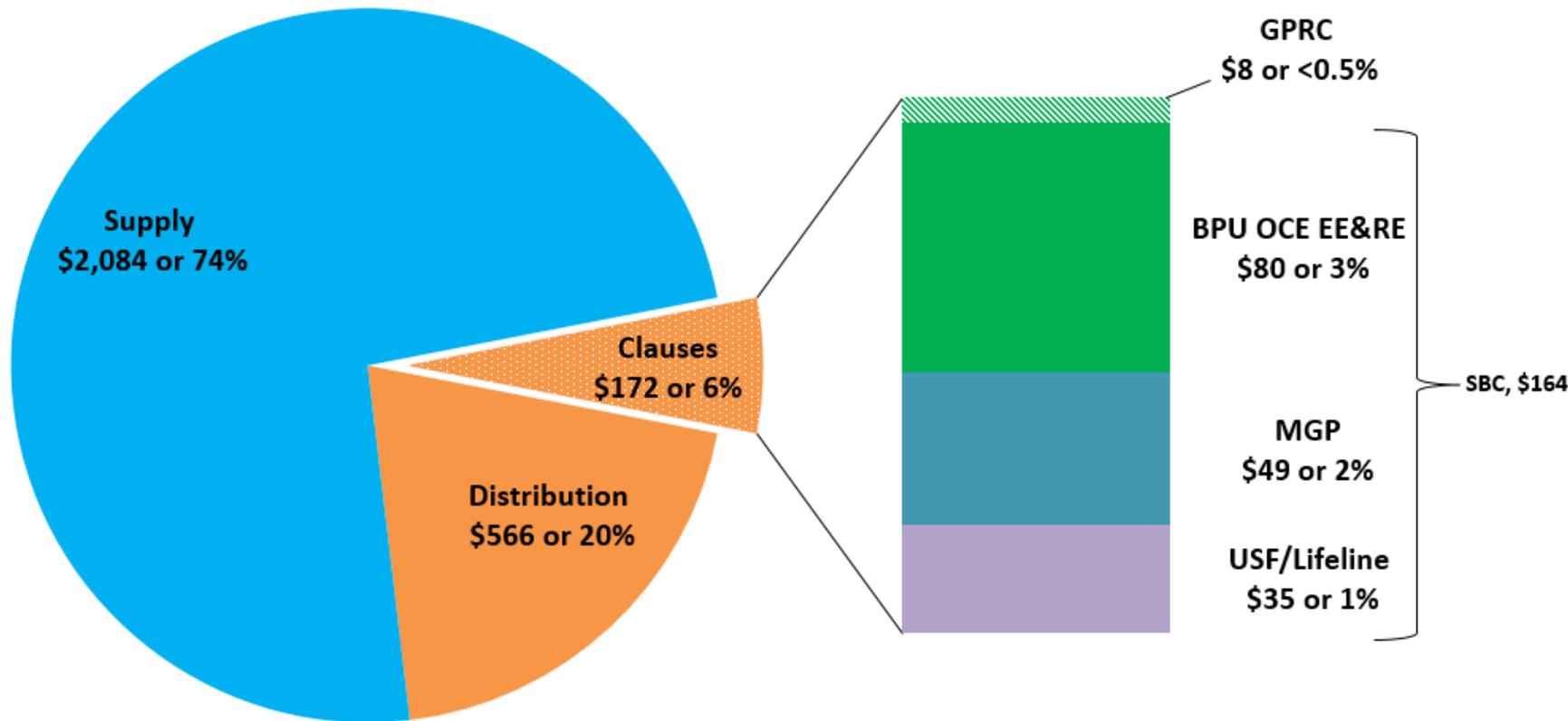
Monthly Bill Comparison: Class Average Small Business Gas Customer 2008 to 2018 with Inflation



Note 1: Average monthly bill for a class average General Service (GSG) gas customer that uses 2,115 therms per year.

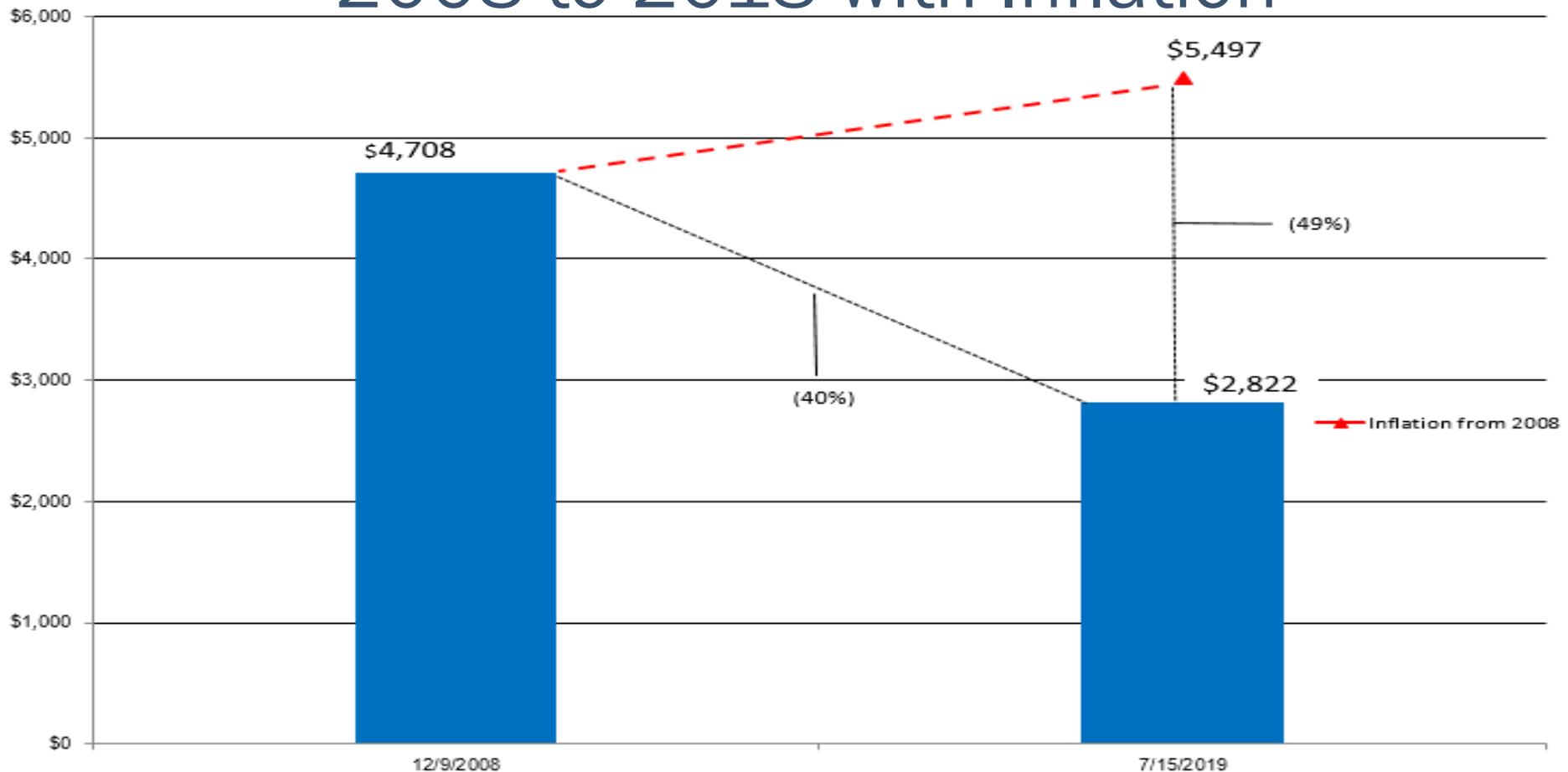
Class Average Large Business Gas Customer: Monthly Bill By Component

\$2,822/month*



*Based on a class average Large Volume Service (LVG) customer using 40,278 therms per year for rates in effect August 1, 2019 and assumes that the customer receives BGSS-F commodity service from Public Service.

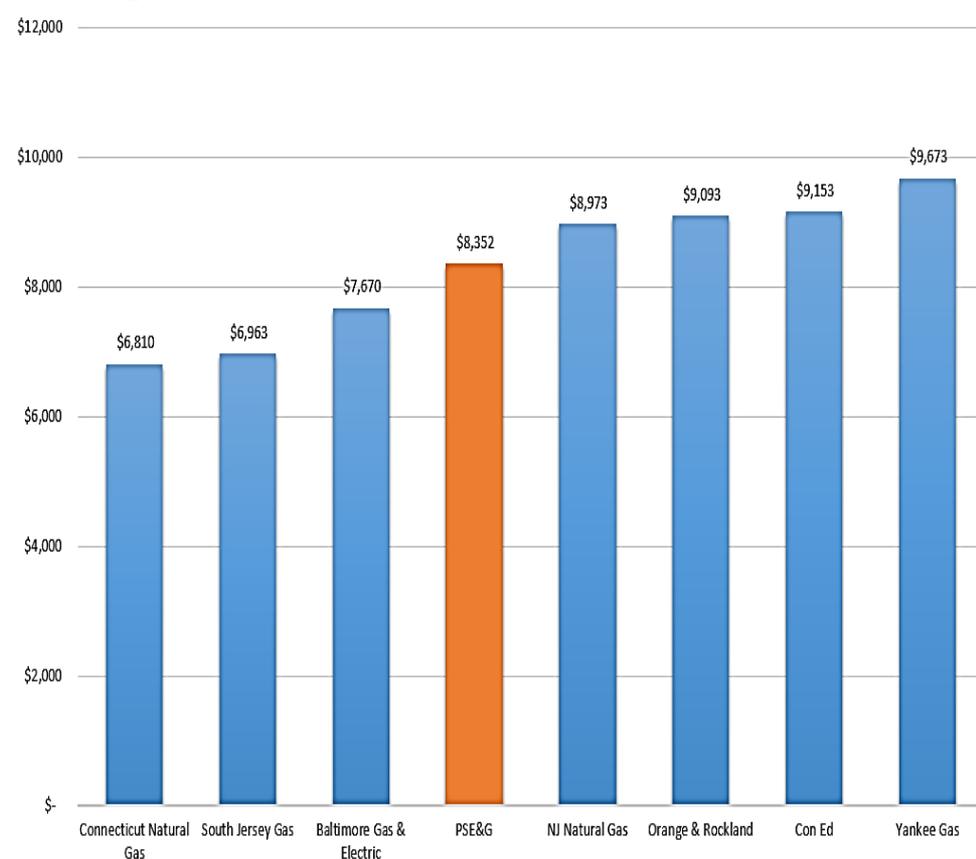
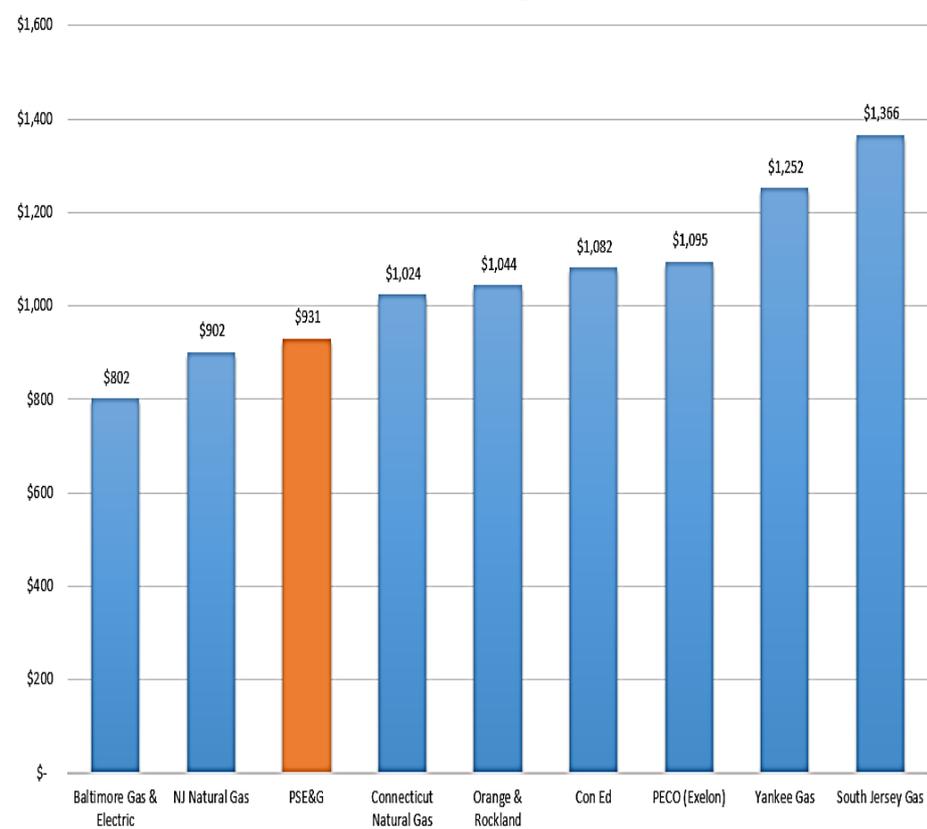
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Note 1: Average monthly bill for a class average Large Volume Service (LVG) gas customer that uses 40,278 therms per year.

How Do PSE&G Gas Rates Compare?

- Based upon the most recent industry survey data, PSE&G's Commercial and Industrial Prices are, on average, in line with other gas utilities in the region.



Is your business on the most beneficial rate?

Contact PSE&G Business Solutions Center at
1-855-BIZ-PSEG (1-855-249-7734)

- Rate expert will provide a free analysis of your rate structure
- Dedicated line as a resource for business customers

Additional Resources

- **PSE&G Gas Tariff –**
<https://nj.pseg.com/aboutpseg/regulatorypage/gastariffs>
- **BGSS Supply Charges (24 month history) -**
<https://nj.pseg.com/aboutpseg/regulatorypage/-/media/BEB069B8519547D3927C0FE790C22761.ashx>
- **Understanding Your Bill Annual Mailing-**
<https://nj.myaccount.pseg.com/viewmybill/-/media/57E25ED516F647FDB92190821F377BBC.ashx>

Energy Saving Behaviors and Cost Saving Tips

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MANAGER OF COMMERCIAL
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Gas Saving Behaviors and Tips – Thermostat



- Adjust your thermostat settings to 66°F - 68°F during heating months.
- Lowering the thermostat by just one degree can reduce your heating bill by up to 3 percent.
- Lower the thermostat an additional 5 to 10 degrees about 30 minutes before closing time. The residual heat will keep people comfortable and you will save even more on your energy during off-hours.
- Install a programmable or smart thermostat for complete system control.

Gas Saving Behaviors and Tips – Windows, Doors & More



- Eliminate gaps that develop around windows and doors by installing caulk or new weather stripping.
- Identify and repair doors and windows that don't close completely.
- Replace broken glass.
- Open blinds, shades and curtains during winter months to take advantage of warmth from natural sunlight.

Gas Saving Tips – Hot Water



- Insulate the hot water storage tank or distribution pipes. If the tank feels hot or warm to your hand, it needs insulation.
- Clean out sediment that accumulates in the bottom of a tank water heater. Flush the water tank at least annually by opening the drain valve near the bottom.
- Set your water heater to 105° unless your company has a minimum water temperature requirement (restaurant, food service, etc.)
- Have your appliances and equipment inspected each year by a qualified technician.

Questions?