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July 17, 2023

In the Matter of the New Jersey Board of Public Utilities
Response to the COVID-19 Pandemic

BPU Docket No. AO20060471

In The Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Incremental
COVID-19 Costs for Recovery Through a New
Special-Purpose Clause, and for Authorization to Recover
Uncollectible Costs For Gas Through the Societal Benefits Charge

BPU Docket No. _____

VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

Sherry Golden, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Golden:

Enclosed for filing on behalf of petitioner Public Service Electric and Gas Company (“PSE&G” or the “Company”) are the Petition, Testimonies and Supporting Schedules in the above-referenced proceeding. This filing is being submitted to the New Jersey Board of Public Utilities (“Board” or the “BPU”) in accordance with the Board’s Order in the above-captioned proceeding dated July 2, 2020.¹ In that Order as subsequently amended, the Board authorized each of the State’s regulated utilities to create a COVID-19-related regulatory asset by deferring on its books and records the prudently incurred incremental costs related to COVID-19 beginning on March 9, 2020, and through March 15, 2023.

¹ In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order Authorizing Establishment of A Regulatory Asset for Incremental Covid-19 Related Expense dated July 2, 2020 (“July 2020 Order”).

This filing updates and supports the figures provided in PSE&G's final quarterly report, filed with the Board on May 1, 2023. Through this Petition and supporting testimony, PSE&G requests and order finding that these incremental costs were prudently incurred, and authorizing PSE&G to recover these costs, including carrying costs through December 31, 2023, through a special purpose clause over a 3-year amortization period beginning on January 1, 2024. PSE&G also requests authorization to recover future bad debt costs on the gas side of its business through the Societal Benefits Charge ("SBC"), as currently authorized for the electric side of PSE&G's business.

The Board's July 2020 Order was an express response to the "significant and extraordinary COVID-19-related expenditures" incurred, and to be incurred, by the State's regulated utilities; the Board expressly noted that those unanticipated expenditures could have a negative financial impact on the utilities. Following issuance of the July 2020 Order, a series of actions by the Governor, the legislature and the BPU to provide continued and additional protection to customers ensured that PSE&G would continue to incur significant incremental cost. In prudently responding to these unprecedented conditions while simultaneously maintaining safe and reliable service, PSE&G implemented a comprehensive COVID response plan. While each of the actions undertaken by PSE&G were appropriate and necessary for the protection of its customers, employees, and New Jersey as a whole, the Company's response came at a significant cost. The incremental costs identified in this filing are well within the ambit of costs the Board expressly identified for future recovery in the language and intent of the Board's COVID-19 orders.

In support of this request and Petition, PSE&G is submitting herewith the testimonies of Michael A. Schmid, Vice President, Asset Management & Planning and Walter S. Yunkiewicz, Director, Medical, Health & Safety (panel testimony); Jane Bergen, Director, Billing Revenue & Controls; and Stephen Swetz, Senior Director, Corporate Rates and Revenue Requirements.

Mr. Schmid and Mr. Yunkiewicz describe PSE&G's efforts to develop a response plan to address and mitigate risk to public safety and impact on critical infrastructure reliability, in light of New Jersey governmental directives as well as guidelines issued by the Center for Disease Control and Prevention for businesses and employers to help prevent workplace exposures to COVID-19. Their panel testimony summarizes the major operational initiatives underlying PSE&G's incremental costs, including among other things establishing a Pandemic Response Team to support its business decisions as informed by federal, state and local agencies; implementing a pandemic notification hotline for positive case and close contact reporting in accordance with governmental requirements; and establishing additional work locations adhering to the social distancing requirements established by the CDC. The panel testimony also identifies certain cost offsets and savings and describes how PSE&G has prudently controlled costs, while also continuing to provide essential electric and gas delivery service and performing the construction work and the operations and maintenance activities required to do so.

Ms. Bergen's testimony describes how governmental actions, specifically the extended moratorium on field collection activity and customer shut-offs associated with the pandemic, have caused a large increase in overdue Accounts Receivables ("AR") balances – to the highest levels in PSE&G's history, and hundreds of millions of dollars higher than in the pre-COVID period. The moratorium also resulted in long-term delays in addressing those AR balances and significant

incremental bad debt expense, as well as carrying costs to finance the higher AR balances. Ms. Bergen also testifies regarding actions the Company has taken to combat the customer account challenges it faced in the wake of the pandemic, in order to minimize bad debt costs. Specifically, she describes the set of practical activities that PSE&G developed, including targeted customer outreach, advanced analytics, additional support/field resources, and a comprehensive customer awareness campaign.

Finally, Mr. Swetz's testimony details PSE&G's proposed method to recover its COVID-19 incremental cost balance, and provides support for the carrying charge rate to be used. Recovery of COVID-19 incremental costs through a new special purpose clause, as proposed by PSE&G and supported by Mr. Swetz's testimony, is in compliance with the requirements stated in the Board's June 7, 2023 order applicable to "any filing for cost recovery of COVID-19 regulatory asset balances independent of a base rate case proceeding."² In addition, Mr. Swetz's testimony supports the Company's proposal to establish a new Social Programs component of the Company's Gas Societal Benefits Charge ("SBC") to recover the Company's future gas bad debt expense.

Please be advised that workpapers are being provided via electronic version only.

Thank you very much for your consideration. If there are any questions or comments regarding this filing, please do not hesitate to contact me.

Respectfully submitted,



Matthew M. Weissman

Attachment

C Attached Service List (E-Mail Only)

² In re the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated June 7, 2023.

IN THE MATTER OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES' RESPONSE TO THE COVID-19
PANDEMIC

DOCKET NO. AO20060471

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DOCKET NO. AO20060471

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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IN THE MATTER OF THE NEW JERSEY)
BOARD OF PUBLIC UTILITIES) BPU DOCKET NO. AO20060471
RESPONSE TO THE COVID-19)
PANDEMIC)

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IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY'S FOR APPROVAL OF) BPU DOCKET NO. _____
INCREMENTAL COVID-19 COSTS FOR) VERIFIED PETITION
RECOVERY THROUGH A NEW SPECIAL-)
PURPOSE CLAUSE, AND FOR)
AUTHORIZATION TO RECOVER)
UNCOLLECTIBLE COSTS FOR GAS)
THROUGH THE SOCIETAL BENEFITS)
CHARGE)
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INTRODUCTION AND REQUEST FOR RELIEF

1. Public Service Electric and Gas Company (“PSE&G,” the “Company,” or the “Petitioner”), a corporation of the State of New Jersey, having its principal offices at 80 Park Plaza, Newark, New Jersey, respectfully submits this filing to the New Jersey Board of Public Utilities (“Board” or the “BPU”) in accordance with the Board’s Order in the above-captioned proceeding dated July 2, 2020.¹ In that Order the Board authorized each of the State’s regulated utilities to create a COVID-19-related regulatory asset by deferring on its books and records the prudently incurred incremental costs related to COVID-19 beginning on March 9, 2020, and through

¹ In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order Authorizing Establishment of A Regulatory Asset for Incremental Covid-19 Related Expense dated July 2, 2020 (“July 2020 Order”).

September 30, 2021, or 60 days after the COVID-19 Public Health Emergency is no longer in effect.

2. The July 2020 Order establishing the COVID-19 regulatory asset included the following requirements:

- Each utility with a COVID-19 regulatory asset account shall file quarterly reports with the Board, together with a verification by an authorized representative, detailing its COVID-19- related costs and offsets; and
- All affected utilities shall file a petition with the Board within 60 days of the close of the Regulatory Asset Period, and the petition must address any potential rate recovery, including any prudence determinations and the appropriate period of recovery for any approved amount of the regulatory asset and any associated savings; or, in the alternative, a utility may request that the Board defer consideration of rate recovery to a future rate case.

3. In an order dated September 14, 2021, the Board extended the Regulatory Asset Period from September 21, 2021 to December 31, 2022.² Subsequently, in an order dated December 22, 2022 (“December 2022 Order”) the Board directed that the Regulatory Asset Period shall be extended from December 31, 2022 to March 15, 2023, and the filing deadline for COVID-19 cost recovery filings shall be extended to 60 days from the close of the extended Regulatory Asset Period, that is, to May 15, 2023.³ Then, in an order dated May 10, 2023, the Board extended the filing deadline to July 17, 2023.⁴ Finally, in an order dated June 7, 2023 setting forth the filing requirements for the COVID-19 filings, the Board directed that “any filing for cost recovery of COVID-19 regulatory asset balances independent of a base rate case proceeding” shall:

² In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated September 14, 2021 (“September 2021 Order”).

³ In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order Extending the Regulatory Asset Period dated December 22, 2022 (“December 2022 Order”).

⁴ In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order Extending the Deadline for the Filing of Petitions for the Recovery of COVID-19 Regulatory Assets, Order dated May 10, 2023 (“May 2023 Order”).

- Propose a new, separate, special-purpose clause or rider that clearly defines the purpose and scope of the regulatory asset balances being proposed for recovery;
- Propose rate design that applies a volumetric rate(s) to all applicable customer classes;
- Propose a reasonable amortization period for the regulatory asset balances, taking into consideration the financial impact on ratepayers' bills;
- Include carrying costs at a reasonable rate for any over- or under-recovery; and
- Include all other necessary supporting documentation.⁵

4. In accordance with the July 2020 Order, PSE&G has filed quarterly reports with the Board, together with a verification by an authorized representative, detailing its COVID-19-related costs and offsets. Following up on the final quarterly report, filed with the Board on May 1, 2023, the Company incurred the incremental costs shown below through March 15, 2023. PSE&G proposes to recover these costs, including Carrying Costs through December 31, 2023, over a 3 year amortization period beginning on January 1, 2024.

⁵ In re the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated June 7, 2023 ("June 2023 Order").

PSE&G COVID-19 Cost Summary (\$k)			
<u>Incremental COVID-19 Costs</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
COVID-19 Preparation and Response Costs*	32,926	28,311	60,237
Personal Protection Equipment	2,914	4,899	7,813
Direct COVID-19 OT and Incremental Labor**	3,859	3,447	7,306
Incremental Bad Debt Expense	—	68,195	68,195
Incremental AR Carrying Charge	43,493	21,422	64,915
Foregone Distribution Fee Revenue	11,016	3,140	14,157
Total Incremental Costs	93,208	129,415	222,623
<u>Incremental COVID-19 Savings and Cost Offsets</u>			
COVID-19 Confirmed Savings*	(1,580)	(1,044)	(2,624)
Federal/State Offsets	(5,550)	(4,675)	(10,225)
Other			
Total Savings/Cost Offsets	(7,130)	(5,719)	(12,849)
COVID-19 Incremental Costs Less Savings	86,078	123,696	209,774
Carrying Cost*	12,249	20,652	32,901
<u>Total COVID-19 Net Incremental Costs</u>	98,328	144,348	242,676

* The figures in these rows reflect adjustments and reconciliations made between the submission of PSE&G's final quarterly report and the submission of this petition. We have reduced Preparation and Response costs by \$268,000, which includes corrections for certain vehicles, food and laptop costs that were removed. We have also increased the Confirmed Savings by \$55,000 reflecting additional materials savings. In light of these two adjustments we have reduced overall carrying costs by \$90,000. Note that the Carrying Costs shown above are calculated through the end of March, 2023. The overall impact of these adjustments is a reduction of \$406,000 in Total COVID-19 Net Incremental Costs.

** Note that PSE&G's quarterly reports have designated this category as "Direct COVID-19 OT Labor", and the category was originally intended to follow the historical process that PSE&G used for storm costs/deferred overtime; however, several months into the pandemic PSE&G began including incremental customer care costs for call center and field operations in this category; those customer care costs actually comprise approximately \$6.0 million of the \$7.3 million in this category.

5. PSE&G proposes to use the Company's pre-tax overall weighted annual average cost of capital as determined in its latest base rate case from the beginning of cost incurrence through December 31, 2023, with the projected cumulative balances for electric and gas equaling \$101,238,000 and \$148,530,000, respectively. These cumulative balances will be amortized over the 3 year period beginning January 1, 2024, with short term interest applied to any unrecovered (or overrecovered) amount, as done for PSE&G's other clauses. See Attachment 3 (Testimony of Stephen Swetz), Schedule SS-COVID-3.

6. Through this Petition and supporting testimony, PSE&G seeks a finding that these incremental costs were prudently incurred, and authorizing PSE&G to recover these costs through a special purpose clause. PSE&G also requests authorization to recover future bad debt costs on the gas side of its business through the Societal Benefits Charge, as currently authorized for the electric side of PSE&G's business. In support of this request and petition, PSE&G is submitting herewith the testimonies of Michael A. Schmid, Vice President, Asset Management & Planning and Walter S. Yukniewicz, Director, Health & Safety (panel testimony); Jane Bergen, Director, Billing Revenue & Controls; and Stephen Swetz, Senior Director, Corporate Rates and Revenue Requirements.

7. In addition to the incremental gas bad debt costs included in PSE&G's claim in this matter, PSE&G also incurred incremental electric bad debt during the relevant period, which is subject to recovery through Company's Societal Benefits Clause mechanism. The prudence of those expenses through December 31, 2020 has already been reviewed and is currently being recovered pursuant to the terms of the Board's order dated August 18, 2021 in BPU Docket

Numbers ER20110734 and GR20110735.⁶ The remainder is being reviewed for recovery in PSE&G's pending SBC matter, filed January 9, 2023, in Docket Numbers ER23010010 and GR23010009. Since collection activities are the same with respect to gas and electric bills, the prudence of those incremental electric costs being reviewed in the SBC docket as well as the incremental gas costs included in PSE&G's claim in this matter are supported by Ms. Bergen's testimony in this matter.

BACKGROUND AND BASIS FOR THE CLAIM

8. The Board's July 2020 Order was an express response to the "significant and extraordinary COVID-19-related expenditures" incurred, and to be incurred, by the State's regulated utilities; the Board expressly noted that those unanticipated expenditures could have a negative financial impact on the utilities. The Board also detailed the unprecedented public health emergency giving rise to this proceeding, and New Jersey's efforts – including the utilities' efforts – to mitigate the impacts of the emergency, specifically noting the following:

- Governor Murphy's March 9, 2020 Executive Order No. 103 ("EO 103") declaring a State of Emergency and a Public Health Emergency in response to the COVID-19 pandemic, and authorizing and empowering executive agencies, including the Board, "to promulgate rules to waive, suspend, or modify any existing rule, where the enforcement of which would be detrimental to the public welfare during this emergency";
- the agreement of the State's public electric and gas utilities to suspend service shutoffs given the statewide public health emergency and the effort currently underway in response to the COVID-19 pandemic; the Board's March 19, 2020 Order directing all public utilities and regulated entities to immediately cease any in-home or business visits unless there was an immediate risk to health and safety

⁶ I/M/O the Petition of PSE&G for Approval of Changes in its Electric and Gas Societal Benefits Charge, Decision and Order Approving Stipulation, Dkt. Nos. ER20110734 and GR20110735 (August 18, 2021).

- Governor Murphy’s Executive Orders intended to protect the public health and limit the spread of COVID-19, and specifically requiring all businesses in the State to accommodate their workforce, wherever practicable, for telework or work-from-home arrangements;
- the Governor’s Executive Orders that, respectively, prohibited all non-essential construction projects from continuing in the State, and subsequently (in EO 142) directed that non-essential construction activities could restart, subject to certain safety and social distancing requirements; and
- the Board’s May 20, 2020 Order finding that the guidance to the utilities concerning construction activities including in-home visits had been superseded, and that all regulated entities could commence or resume nonessential activities in accordance with the specific mitigation requirements set forth in EO 142.

9. The Board found that the deferral of incremental costs is appropriate because the catastrophic COVID-19 health emergency was outside the control of the utilities and is a non-recurring event. See July 2020 Order, at 4.

10. Following issuance of the July 2020 Order, a series of actions by the Governor, the legislature and the BPU to provide continued and additional protection to customers ensured that PSE&G would continue to incur significant incremental cost. As detailed in the testimony of Ms.

Bergen:

- On March 3, 2021, Governor Murphy issued Executive Order 229, which further extended the moratorium on shut-offs for non-payment through June 30, 2021
- On May 12, 2021, Governor Murphy signed temporary legislation (“May 2021 Legislation”) requiring utilities to provide broad notice to residential customers of available relief measures during the COVID-19 pandemic.
- On June 4, 2021, Governor Murphy signed legislation ending the COVID-19 Public Health Emergency within the State, but continued the restrictions on utility shut-offs until January 2022.

- On June 14, 2021 in EO 246 Governor Murphy ended the moratorium as of June 30, 2021, but provided residential customers with a grace period on utility collection activity or shut-offs until December 31, 2021.
- On September 14, 2021, the Board issued an order (“September 2021 Order”) revising its Customer Bill of Rights to include the temporary protections established in the recent legislation and the Governor’s Executive Orders related to the COVID-19 pandemic. The Board has since made three additional revisions to the Bill of Rights adding, extending or removing various protections to conform to changes in the laws based on the evolving situation created by the COVID-19 pandemic. Each of these revisions required retranslations into multiple languages, printing new signage and welcome letters, and printing and mailing updated monthly notices to customers.
- On March 25, 2022, Governor Murphy signed Bill S-2356, which extended the moratorium on shutoffs for certain residential customers for 60 days while they awaited determination by the applicable State agency on application(s) submitted before June 15, 2022 for payment assistance programs; required all utilities to offer each residential customer in arrears a bill payment plan for the unpaid balance of at least 12 months’ duration; and prohibited any utility from collecting any interest, fee or charge from any residential customer for late payment that accrued between the declaration of a public health emergency on March 9, 2020 and March 15, 2022.
- On September 15, 2022, P.L.2022, c.107 was approved by the Governor, and requires all utilities to provide a host of information—including supply, demand, revenue, expense, lien, billing and sales information, and infrastructure project delays—to the BPU for the purpose of evaluating the impact that COVID-19 has had on utility service.

SUMMARY OF PSE&G’S ACTIONS IN RESPONSE TO COVID-19

11. PSE&G is a public utility engaged in the transmission and distribution of electricity, and the distribution of gas, for residential, commercial and industrial purposes within the State of New Jersey. The Company provides service to approximately 2.4 million electric and 1.9 million gas customers in an area having a population of approximately 6.2 million persons, and which extends from the Hudson River opposite New York City, southwest to the Delaware River at Trenton and south to Camden, New Jersey.

12. PSE&G is subject to regulation by the Board for the purposes of setting its retail distribution rates and to assure safe, adequate and reliable electric distribution and natural gas distribution service pursuant to N.J.S.A. 48:2-21, *et seq.*

13. There have been many aspects to navigating the COVID-19 pandemic. In prudently responding to these conditions while simultaneously maintaining safe and reliable service, the Company has been guided by federal and state authorities, including the Center for Disease Control and Prevention, the Occupational Health and Safety Administration, Governor Murphy and the New Jersey BPU, as well as by its medical advisors, in implementing a comprehensive COVID response plan. While each of the actions undertaken by PSE&G were appropriate and necessary for the protection of its customers, employees, and New Jersey as a whole, the Company's response came at a significant cost. The incremental costs identified in this filing are well within the ambit of costs the Board expressly identified for future recovery in the language and intent of the Board's COVID-19 Order.

14. As noted above, at the outset of the pandemic on March 13, 2020, PSE&G agreed to suspend shutoffs for all gas and electric customers. PSE&G also took action at that time to restore service to all residential customers who had previously been disconnected for nonpayment, waiving all reconnection fees and deposit requirements for all new or existing customers. Additionally, PSE&G proactively refunded deposits to assist struggling non-residential customers. Also at that time, the Company began waiving late payment charges on all non-residential accounts, and suspended field collection activities. Commencing August 2020, PSE&G provided flexible deferred payment arrangements ("DPAs") to our customers requiring \$0 down payment

and extending the timeframe to pay outstanding balances up to 12 months for non-residential customers and 24 months for residential customers.

15. As also detailed in Ms. Bergen's testimony, the governmental actions described above to provide continued and additional protection to customers also ensured that PSE&G would continue to incur significant incremental cost associated with customer accounts. Specifically, the extended moratorium on field collection activity associated with the pandemic and the shut-off moratorium has caused a large increase in overdue Accounts Receivables ("AR") balances – to the highest levels in PSE&G's history, and hundreds of millions of dollars higher than in the pre-COVID period. The moratorium also resulted in long-term delays in addressing those AR balances and significant incremental bad debt expense, as well as carrying costs to finance the higher AR balances. These carrying costs include 3 years of financing. The interest rate used to calculate the carrying costs was 9.02%, which is the pre-tax weighted average cost of capital ("WACC") from PSE&G's most recent base rate case. Given the duration of this elevated AR, that WACC rate is appropriate, rather than a short-term debt rate.

16. From an operations perspective, as discussed in the testimony of PSE&G panel witnesses Michael A. Schmid and Walter S. Yunkiewicz, the above-noted government actions, along with the overall societal dislocation associated with the pandemic, had a significant impact on PSE&G. Mr. Schmid and Mr. Yunkiewicz describe PSE&G's efforts, with input from PSEG's Corporate Medical, Health & Safety Department, to develop a response plan to address and mitigate risk to public safety and impact on critical infrastructure reliability, in light of the New Jersey governmental directives as well as guidelines issued by the Center for Disease Control and

Prevention (“CDC”) for businesses and employers to help prevent workplace exposures to COVID-19. This response plan also had to take into account and PSE&G’s duty under New Jersey statutes and the New Jersey Administrative Code (“NJAC”) section 14:3-3.1, as well as under its electric and gas tariffs to furnish safe, adequate and proper electric and gas service on a continuous basis.

17. After summarizing PSE&G’s service territory, workforce and organizational structure, Mr. Schmid and Mr. Yukniewicz summarize PSE&G’s major operational initiatives underlying the incremental costs identified in this petition, including establishing a Pandemic Response Team to support its business decisions as informed by federal, state and local agencies; implementing a pandemic notification hotline for positive case and close contact reporting in accordance with governmental requirements; the establishment of additional work locations adhering to the social distancing requirements established by the CDC; and the implementation of new safety and personal protective equipment protocols, including new cleaning and sanitization practices at all work locations and guidelines and practices for persons travelling in vehicles together. These costs are included in the categories designated COVID-19 Prep and Response Costs, Personal Protection Equipment, and Direct COVID-19 OT and Incremental Labor. The panel testimony also describes how PSE&G has prudently controlled costs, while also continuing to provide essential electric and gas delivery service and performing the construction work and the operations and maintenance activities required to do so.

18. Returning to Customer Operations, Ms. Bergen provides testimony regarding actions the Company has taken to combat the customer account challenges it has faced in the wake

of the pandemic. Specifically, the pandemic required PSE&G to quickly adapt and rethink its approach to collections. PSE&G developed a set of practical activities that included targeted customer outreach, advanced analytics, additional support/field resources and a comprehensive customer awareness campaign. These activities and multiple contact attempts were designed to provide customers the opportunity to garner financial assistance, enter into deferred payment arrangements to avoid shut off, and affect payments in the most efficient means possible. As detailed in Ms. Bergen's testimony, PSE&G incurred costs for these activities in the categories designated COVID-19 Prep and Response Costs and Direct COVID-19 OT and Incremental Labor.

19. PSE&G believes that this overall strategy has benefited all customers while simultaneously reducing accounts receivable from what they otherwise would have been. For example, Ms. Bergen provides testimony regarding the effectiveness of the Company's outreach program to provide important information to low-income customers and small businesses about the available customer assistance resources such as the Universal Service Fund ("USF"), Low Income Home Energy Assistance Program ("LIHEAP") and all other general assistance programs during the COVID-19 deferral period.

20. Finally, in addition to the actions resulting in the incremental costs for which the Company seeks approval in this filing, PSE&G and the PSEG Foundation took several steps to help alleviate some of the pain during the extraordinary period following March 2020, including committing \$2.5 million towards alleviating the medical, social and economic impacts of COVID-19 in 2020 and through 2021, and compensating our customers with more than \$800,000 in reimbursements for spoiled food during Hurricane Isaias in August 2020.

ADDITIONAL COSTS AND OFFSETS

21. In addition to the bad debt, carrying costs, and operational costs summarized above, the Company experienced distribution fee revenue loss during the deferral period, reflecting the value of waived late fees and forgone reconnections fees since the onset of the COVID shutdown. As described in Ms. Bergen’s testimony, these fees normally are paid by customers and they were included in the test year of PSE&G’s most-recent base rate case, but PSE&G suspended these fees at the beginning of the pandemic and as mandated during the moratorium. The C&I late fees were reinstated in August of 2021.

22. The Company also pursued savings and cost offsets during the deferral period, as described in the panel testimony. These savings were largely attributable to costs saved as employees who typically reported to the general office commenced working remotely. Finally, the Company has reduced its COVID-19 costs by the amount of credits obtained by pursuing the Employee Retention Credit created by the Coronavirus Aid, Relief and Economic Security (“CARES”) Act, which was signed into law on March 27, 2020 and has since been enhanced and extended by the Consolidated Appropriations Act of 2020 and the American Rescue Plan Act of 2021. The CARES Act credit discussed in this filing has not yet been realized, and the recovery proposed herein is subject to true up if this credit is not received.

COST RECOVERY, INCLUDING RECOVERY OF GAS BAD DEBT THROUGH THE SBC, NOTICE, AND BILL IMPACTS

23. Appended to this Petition as Attachment 3 is the testimony of Mr. Stephen Swetz. The purpose of this testimony is to propose a method of cost recovery for all costs associated with the Company’s COVID-19 incremental costs as well as support for the carrying charge rate and

cost calculation on the COVID-19 incremental cost balance. The cost recovery method proposed by PSE&G and supported by Mr. Swetz's testimony is in compliance with the requirements stated in the Board's June 2023 Order (see paragraph 3 above) applicable to "any filing for cost recovery of COVID-19 regulatory asset balances independent of a base rate case proceeding." In addition, the Company is proposing a new Social Programs component of the Company's Gas Societal Benefits Charge ("SBC") to recover the Company's future s gas bad debt expense; that proposal is also supported by Mr. Swetz's testimony.

24. A proposed form of public notice of filing and public hearings, including the proposed rates and bill impacts attributable to the proposed cost recovery, can be found in Attachment 4 of this Petition. PSE&G proposes this Form of Notice be placed in newspapers having a circulation within the Company's electric and gas service territories once public hearings have been scheduled. PSE&G proposes public hearings to allow members of the public the opportunity to present their views on the Company's filing. PSE&G also proposes that it provide notice to the County Executives and Clerks of all municipalities within the Company's gas service territories upon receipt of public hearing dates.

25. The typical bill impacts for residential customers are also described in Mr. Swetz's testimony. As a result of this proposal, a typical residential electric customer using 740 kWh in a summer month and 577 kWh in an average month (6,920 kWh annually) would see an increase in the average monthly bill from \$117.78 to \$118.32, or \$0.54 or approximately 0.46%, (based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in effect July 1, 2023 and assuming the customer receives BGS-RSCP service from PSE&G). Furthermore, a residential natural gas heating customer using 172 therms per month

during the winter months and 87 average monthly therms (1,040 therms on an annual basis) would see an increase in the average monthly bill from \$98.45 to \$100.09, or \$1.64 or approximately 1.67% (based on current Delivery Rates and Basic Gas Supply Service [BGSS-RSG] charges in effect July 1, 2023 and assuming the customer receives BGSS service from PSE&G).

ATTACHED DIRECT TESTIMONY

26. The attached Direct Testimonies of Michael A. Schmid, Walter S. Yukniewicz, Jane Bergen and Stephen Swetz provide support for the forgoing and the requests herein.

27. Attached are the following direct testimony with schedules and other attachments in support of the proposal in this petition:

Attachment 1 – Direct Testimonies of Michael A. Schmid and Walter S. Yukniewicz

Attachment 2 - Prepared Direct Testimony of Jane Bergen

Attachment 3 - Prepared Direct Testimony of Stephen Swetz

Attachment 4 - Legal Notice

COMMUNICATIONS

28. Communications and correspondence related to this Docket and to PSE&G's Petition should be sent as follows.

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CONCLUSION AND REQUEST FOR APPROVAL

29. In sum, the attached testimonies demonstrate that PSE&G responded to the COVID-19 public health emergency in a timely, diligent and thorough manner. For all the foregoing reasons, PSE&G respectfully requests that the Board issue an Order approving this petition and specifically finding that the incremental COVID-19 costs incurred by the Company, reflected herein and in the accompanying testimonies, are reasonable and prudent, and should be recovered from PSE&G's customers through the clause mechanism proposed herein. In addition, PSE&G requests authorization to recover future gas bad debt cost through the Societal Benefit Charge, as currently permitted for electric bad debt.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



Matthew M. Weissman
Public Service Electric and Gas Company
80 Park Plaza, T-10
P. O. Box 570
Newark, New Jersey 07102

DATED: July 17, 2023
Newark, New Jersey

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE NEW JERSEY
BOARD OF PUBLIC UTILITIES
RESPONSE TO THE COVID-19 PANDEMIC**

BPU DOCKET NO. AO20060471

**IN THE MATTER OF THE PETITION OF PUBLIC
SERVICE ELECTRIC AND GAS COMPANY'S FOR
APPROVAL OF INCREMENTAL COVID-19 COSTS FOR
RECOVERY THROUGH A NEW SPECIAL-PURPOSE
CLAUSE, AND FOR AUTHORIZATION TO RECOVER
UNCOLLECTIBLE COSTS FOR GAS THROUGH THE
SOCIETAL BENEFITS CHARGE**

BPU DOCKET NO. _____

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DIRECT PANEL TESTIMONY
OF
MICHAEL A. SCHMID
VP ASSET MANAGEMENT & PLANNING
AND
WALTER S. YUKNIEWICZ
DIRECTOR MEDICAL, HEALTH & SAFETY**

July 17, 2023

1 **Q. Please state your name, affiliation and business address.**

2 A. My name is Michael A. Schmid, and I am Vice President of Asset Management and
3 Planning for Public Service Electric and Gas Company (“PSE&G” or the “Company”), the
4 Petitioner in this matter.

5 **Q. Please describe your responsibilities as Vice President of Asset Management and**
6 **Planning.**

7 A. As the Vice President of Asset Management and Planning, I am responsible for ensuring
8 the reliability of PSE&G’s electric and gas distribution assets and overseeing various functions
9 that support the provision of safe, adequate, proper and reliable electric and gas distribution
10 service. My responsibilities include oversight and direction of: resources and activities related
11 to the overall management of electric and gas delivery assets and system performance; utility
12 wide business planning; electric and gas transmission and distribution engineering and technical
13 field engineering support; electric and gas system load flow and bulk system planning; gas
14 delivery functions, including Metering and Regulating Stations, Gas Plants, and the Gas System
15 Operations Center; and wholesale / retail energy supplier service management, basic generation
16 service, basic gas supply service, and NUG contract management. I am also responsible for key
17 support service activities and processes, including SOx compliance for areas within my purview,
18 unmetered services, new business, traffic control, capital review boards and utility-wide process
19 self-assessments, and NERC compliance for facility ratings and relay requirements.

20 **Q. Please describe your professional and educational background and qualifications.**

21 A. This information is provided in Schedule MAS-COVID-1, which is attached hereto.

1 **Q. Please state your name, affiliation and business address.**

2 A. My name is Walter S. Yukniewicz, and I am Director Medical, Health & Safety for
3 PSEG Services Corporation, providing services to Public Service Electric and Gas Company
4 (“PSE&G” or the “Company”), the Petitioner in this matter.

5 **Q. Please describe your responsibilities as Director Health & Safety.**

6 A. As Director Health & Safety, I am responsible for ensuring the Company’s medical,
7 health and safety, safety culture, and regulatory compliance. My responsibilities include
8 Corporate Health & Safety System oversight, safety and medical regulatory compliance,
9 wellness programs oversight, and Corporate Industrial Hygiene oversight.

10 **Q. Please describe your educational and professional background and qualifications.**

11 A. This information is provided in Schedule WSY-COVID-1, which is attached hereto.

12 **Q. What is the purpose of your testimony in this proceeding?**

13 A. Our panel testimony supports the Company’s request for approval and recovery of
14 incremental costs associated with, and incurred in preparation for and in response to, the novel
15 coronavirus public health emergency (“COVID-19” or the “pandemic”). This includes
16 incremental expenses for COVID-19 preparation and response, personal protective equipment,
17 and overtime labor directly attributable to the pandemic. Our testimony describes the steps taken
18 by PSE&G to comply with requirements and guidelines issued by the Center for Disease Control
19 and Prevention (“CDC”) and other governmental entities for businesses and employers to help
20 prevent workplace exposures to COVID-19. Our testimony also provides information on the
21 savings attributable to COVID-19 and certain offsets to PSE&G’s incremental costs associated
22 with the Employee Retention CARES Act.

1 **Q. Are there other witnesses presenting testimony for the Company in this matter?**

2 A. Yes. Jane Bergen, Director of Billing, Revenue and Controls for PSE&G, will provide
3 testimony regarding certain COVID-19 preparation and response costs that are not covered in
4 my testimony, including costs associated with customer communications and reporting
5 requirements imposed as a result of the pandemic, costs associated with enhanced payment
6 assistance awareness communications, enhanced collection efforts, and customer contact costs.
7 Ms. Bergen will also provide details regarding the incremental bad debt accumulated by the
8 Company during the COVID-19 period and the associated incremental carrying charges, as well
9 as forgone electric and gas distribution fee revenues. Testimony on the carrying cost for the
10 COVID-19 incremental costs, the new special-purpose clause proposed for recovery of those
11 costs, and PSE&G's request that the Board authorize the recovery of uncollectible costs on the
12 gas side of the business through the Societal Benefits Charge, will be addressed by PSE&G
13 Witness Stephen Swetz, Senior Director—Corporate Rates and Revenue Requirements.

14 **Q. Please describe the history and drivers for incurring the incremental COVID-19**
15 **costs.**

16 A. As described in more detail in PSE&G's petition in this matter ("Petition") and in Ms.
17 Bergen's testimony, in March and April of 2020, Governor Murphy signed several Executive
18 Orders ("EOs") declaring a State of Emergency and a Public Health Emergency in response to
19 the COVID-19 pandemic. These EOs, along with the overall societal dislocation of those
20 months, had a significant impact on PSE&G, and included an announcement that the State's
21 public electric and gas utilities universally agreed to suspend service shutoffs in response to the
22 COVID-19 pandemic; a requirement that all public utilities and regulated entities immediately
23 cease any in-home or business visits unless there was an immediate risk to health and safety,

1 followed by an order lifting that requirement; and directives that, first, non-essential construction
2 activities should cease, and then a follow-up directive that non-essential construction activities
3 should recommence, subject to certain safety and social distancing requirements.

4 Additionally, the Center for Disease Control and Prevention (“CDC”) issued guidelines
5 for businesses and employers to help prevent workplace exposures to COVID-19. This is
6 inclusive of following all Department of Health requirements, including quarantining, contact
7 tracing, COVID testing protocols, case reporting, the OSHA General Duty clause (which
8 requires the Company to take measures to protect employees from known hazards), and OSHA
9 reporting obligations. PSE&G was required to address social distancing in the workplace, the
10 feasibility of accomplishing work by telework, and geographic isolation in the workplace. In
11 accordance with the guidance to maintain at least 6 feet distance from person to person,
12 employers were required to establish policies and practices that altered the workplace to help
13 employees and customers maintain distance, including physically separating employees from
14 each other and from customers, when possible to protect employees, contractors, customers and
15 the general public. Strategies included increasing the physical space between employees at the
16 worksite by modifying the workspace, implementing flexible worksites, and closing or limiting
17 access to common areas where employees are likely to congregate or interact.

18 Finally, PSE&G implemented unprecedented cleaning protocols, as well as requirements
19 regarding the use of personal protective equipment (“PPE”) in response to CDC requirements,
20 OSHA guidelines, Executive Orders, and local requirements.

21 **Q. Are there also regulatory and internal corporate requirements that drove**
22 **PSE&G’s incremental COVID-19 costs?**

23 A. Yes. In addition to the Executive Orders and CDC requirements described above,

1 PSE&G has a duty under New Jersey statutes and the New Jersey Administrative Code
2 (“NJAC”) section 14:3-3.1, as well as under its electric and gas tariffs to furnish safe, adequate
3 and proper electric and gas service, and to maintain continuity of service as a basic requirement.
4 At the outset of the pandemic, PSEG’s Corporate Medical, Health & Safety Department required
5 all PSEG companies to modify workplace practices and procedures to adhere to CDC, federal,
6 state and local agencies’ recommendations and guidelines. Therefore, the Company activated a
7 Coronavirus Plan that identified, prioritized, and employed critical operational processes,
8 procedures and activities to address and mitigate risk to public safety and impact on critical
9 infrastructure reliability.

10 **Q. Please describe the Company’s service territory, workforce and organizational**
11 **structure that supports its electric and gas distribution systems.**

12 A. PSE&G provides service to approximately 2.4 million electric and 1.9 million gas
13 customers in an area having a population in excess of 6.2 million persons and that extends from
14 the Hudson River opposite New York City, southwest to the Delaware River at Trenton and
15 south to Camden, New Jersey.

16 PSE&G employs over 7,000 people across the state. The employees who physically
17 construct, maintain and operate the Company’s electric distribution system are organized in the
18 following main areas: (1) Electric Operations, approximately 1,750 employees; (2) Asset
19 Management and Planning (“AM&P”), approximately 250 employees; and (3) Projects and
20 Construction (“P&C”), approximately 1,000 employees. The electric distribution system is also
21 dependent on utility employees in the Electric Distribution Operations Center (“ESOC”) located
22 in Bridgewater, New Jersey, and a centralized services group within the utility that is responsible
23 for, among other things, vehicle fleet, materials purchases, and training supporting both the

1 electric and gas portions of PSE&G's business. The AM&P group, in addition to asset
2 management and planning for the electric distribution system, includes the Gas System
3 Operations Center ("GSOC"), which shares the Bridgewater facility with ESOC, and the AM&P
4 group has responsibility for gas metering and regulating ("M&R") facilities. These employees
5 and facilities are extremely critical to the operation of electric grid and gas infrastructure, which
6 supported the stressed healthcare facilities directly managing the pandemic, such as hospitals
7 and nursing homes.

8 Electric Operations employees are based out of four operating divisions (the Southern,
9 Central, Metro, and Palisades Divisions), each of which has multiple reporting locations to
10 minimize travel time. These employees have primary responsibility for hands-on electric
11 distribution and service activities. Personnel at these locations perform engineering,
12 construction, operations, inspections, maintenance and repair, emergency response, meter
13 services, and administrative activities. As summarized below in the description of the major
14 initiatives undertaken by the Company in response to COVID-19, a significant portion of
15 PSE&G's incremental costs are attributable to the CDC requirements and guidelines, including
16 but not limited to quarantining, contact tracing of infected or exposed employees, and physical
17 distancing requirements associated with the Electric Operations divisions and gas distribution
18 employees. Additional costs were incurred to follow CDC disinfecting protocols and PPE
19 requirements and to ensure the continuous, safe operation of ESOC and GSOC, even if an entire
20 group of operations center employees became subject to quarantine.

21 There are approximately 2,500 employees who construct, maintain and operate
22 PSE&G's gas distribution system. This includes gas construction employees outside of the

1 larger P&C group described above (which performs construction mostly for the electric side of
2 PSE&G's business), and field operations employees who maintain and operate PSE&G's gas
3 distribution system and also provide appliance services to customers through PSE&G's
4 competitive appliance services business. These gas distribution employees are based in twelve
5 field headquarters throughout the State, strategically located to provide rapid response to
6 emergencies 24 hours a day, seven days a week. These employees have primary responsibility
7 for hands-on gas distribution and service activities, including new and replacement main and
8 service installations, leak detection and repair, system design and maintenance, meter and after-
9 meter safety services, surveys and inspections, and administrative activities associated with this
10 work. A large portion of this work involved face to face customer contact, thereby increasing
11 exposure and potential infection risks.

12 Additionally the utility employs numerous Customer Care associates whose activities
13 are discussed more fully in Ms. Bergen's testimony. Incremental costs have been incurred in
14 connection with these employees' collections and call center activities, which support both
15 electric and gas portions of the business.

16 **Q. Please describe the major initiatives undertaken by the Company in response to**
17 **COVID-19.**

18 A. In response to the COVID 19 pandemic, PSE&G implemented a comprehensive set of
19 enhanced safety actions to help protect our employees, customers and communities. To ensure
20 the safety of our employees and customers we took the following actions:

- 21 • PSE&G formed a Pandemic Response Team to support its business decisions as
22 informed by federal, state and local agencies.

- 1 ○ This cross-functional team focused on planning and preparedness, developing
2 and modifying existing business continuity plans to ensure PSE&G's ability to
3 safely and reliably continue work under the extenuating circumstances.

- 4 ● Implemented a pandemic notification hotline for positive case and close contact
5 reporting in accordance with governmental requirements.

- 6 ● Modified employee policies and practices to support quarantine requirements with
7 paid time off.

- 8 ● Fit tested employees (per OSHA requirements) that were required to wear
9 respirators/N-95 masks due to work tasks involving customer and public contact as
10 well as work requiring close contact with other utility workers.

- 11 ● Purchased COVID PCR laboratory test kits and made them available for employee
12 and contractor use.

- 13 ● Implemented an employee health screening process and associated signage/facility
14 safety adaptations for the onsite workforce and face to face customer interactions.

- 15 ● Set up additional field locations adhering to the social distancing requirements
16 established by the CDC
 - 17 ○ Required leasing of temporary staging areas
 - 18 ○ Sites required office trailers, storage trailers, bathroom facilities, cleaning and
19 sanitizing, among other things

- 20 ● Directed employees to work remotely as operationally feasible, which included
21 providing the necessary technology to support their remote work status.

- 22 ● Implemented new safety and personal protective equipment protocols and work
23 policies, practices and procedures

- 24 ● Established new cleaning and sanitization at all of work locations, including the
25 temporary remote sites, and implemented a protocol requiring regular cleaning of all
26 vehicles and a deeper clean when a COVID exposure occurred in the vehicle

- 27 ● Established distance guidelines for persons travelling in vehicles together, which
28 resulted in additional vehicles traveling to the same work site and also resulted in
29 leasing additional vehicles

- 30 ● Upon the initial availability of vaccines, PSE&G worked with local hospitals and
31 counties to secure appointments with prioritization of onsite workers.

1 PSE&G followed CDC guidelines throughout the pandemic, but it was a constantly
2 evolving process. Throughout the pandemic, the Company continued to focus on delivering
3 safe and reliable service for our customers and the communities we serve.

4 **Q. Why did the Company incur incremental costs during the COVID-19 period?**

5 A. The restrictions and requirements imposed on utility operations due to COVID caused
6 the Company to experience extraordinary costs that were not anticipated at the time rates were
7 established. These restrictions and requirements included the prohibition of certain inside work;
8 social distancing requirements for work that could be done; cleaning protocols and PPE
9 requirements imposed to prevent the spread of the virus; and self-quarantine requirements for
10 persons potentially infected.

11 **Q. Please provide an overview of the incremental COVID-19 costs your testimony is**
12 **being offered to support.**

13 A. The incremental costs incurred in preparation for, in response to, or as a result of
14 COVID-19 include:

15 1. COVID-19 Preparation and Response (\$60,237,000): The activities and
16 expenses described in my testimony account for approximately \$47,237,000 of these costs,
17 which were incurred by the electric and gas operations groups; the remaining \$13,000,000 in
18 this category is attributable to the Customer Care efforts (e.g., incremental collection and
19 outreach costs, largely attributable to outside services costs) discussed in Ms. Bergen's
20 testimony. For electric and gas operations, this category includes costs associated with
21 establishing remote reporting sites, which were required in order to ensure proper social
22 distancing. During the pandemic PSE&G incurred costs for the lease of office and storage

1 trailers, recreational vehicles for on-site sequestering if needed, propane service, forklifts,
2 dumpsters, port-a-johns, washing stations, generators, shower stations, light towers, water,
3 electrician services, cleaning and sanitizing and security. While the Electric divisions were
4 generally able to set the remote locations on PSE&G property, some Gas sites had to be
5 established on leased property and as a result additional lease costs were incurred. This
6 category also includes cleaning and sanitization costs, which are discussed further below, as
7 well as some minimal costs for additional vehicle leasing.

8 2. Personal Protection Equipment (PPE) (\$7,813,000): This category includes
9 incremental costs of items required for the protection of customers and employees such as
10 Tyvek coverings, booties, respirators, gloves, goggles, hazmat bags, face shields/masks,
11 protectors, hoods & liners, and sanitation kits. These costs are only included if they are for
12 items taken out of inventory and provided to employees. PSE&G uses Personal Protective
13 Equipment during many activities; the costs of PPE not associated with or purchased due to
14 COVID are not included in the incremental costs.

15 3. Direct COVID-19 OT and Incremental Labor (\$7,306,000): The activities and
16 expenses described in my testimony account for approximately \$1,266,000 of these costs,
17 which were incurred by the electric and gas operations groups; the remaining \$6,040,000 in
18 this category is attributable to the Customer Care efforts (e.g., internal labor for incremental
19 collection and outreach) discussed in Ms. Bergen's testimony. The Company tracked all costs
20 associated with COVID-related activity. This includes time spent on "first team" planning
21 activities, ordering materials, establishing remote work sites, giving and receiving training,
22 performing respirator fit tests, as well as travel and non-productive time spent at remote work

1 sites. Internal labor costs associated with the overtime hours worked on this COVID-related
2 activity are included in PSE&G's incremental cost claim. The process followed to determine,
3 calculate and defer incremental overtime is identical to the process that PSE&G uses for major
4 storm event deferrals.

5 **Q. How has the Company managed and controlled costs incurred during the**
6 **pandemic?**

7 A. PSE&G has prudently controlled costs, while also continuing to provide essential electric
8 and gas delivery service and performing the construction work and the operations and
9 maintenance activities required to do so. Throughout the pandemic our groups had significant
10 dialogue with each other and we played active roles on the PSEG Pandemic Response Team,
11 along with leaders from many business groups including field operations, procurement, medical,
12 and corporate properties, to determine how the Company could continue to provide safe and
13 reliable service while abiding by the restrictions and requirements assessed by federal and state
14 government. In coordination with our teams and other members of the Pandemic Response
15 Team, we considered work plans by the business, as well as relevant Executive Orders and
16 legislative and regulatory developments or changes to ensure that PSE&G had sufficient
17 personnel and material on hand to keep the business operating at the appropriate level.

18 For example, at the outset of the pandemic in the spring of 2020, PSE&G opened 33
19 remote reporting sites as described above, in an effort to support operational separation plans
20 that had been developed in light of New Jersey's physical distancing requirements. As increasing
21 numbers of people became vaccinated and certain restrictions began to ease, these sites began
22 demobilizing in Q2 2021. PSE&G closed all COVID remote reporting sites and returned
23 individuals to district offices by the end of 2022.

1 With regard to hygiene, as a result of the COVID-19 pandemic and the uncertainty
2 regarding transmission of the virus, PSE&G initially implemented a cleaning protocol for all
3 vehicles and equipment following CDC and other government requirements. The Company
4 engaged a third party vendor to perform detailed cleaning and disinfecting of all company-
5 owned and rented equipment on a regular basis. If the Company had a confirmed COVID-19
6 case associated with a particular vehicle or piece of equipment, that vehicle/equipment received
7 an enhanced cleaning treatment. In an effort to reduce costs PSE&G researched and
8 implemented a product that provided a barrier to reduce COVID transmission. This product was
9 applied on a 30-day cycle as opposed to regular cleaning and disinfecting. All processes
10 associated with the disinfecting of vehicles/equipment ceased during Q2-Q3 of 2021 with the
11 exception of COVID positive cases, in which the vehicles/equipment receive an enhanced
12 cleaning.

13 **Q. Did the Company experience any savings during the COVID-19 deferral period?**

14 A. Yes. PSE&G saved costs in a number of areas including: janitorial, cafeteria costs, pest
15 control, shuttle service, document shredding, other office maintenance, and HVAC and kitchen
16 service, as employees who typically reported to the general office commenced working
17 remotely. In addition PSE&G was also able to capture savings associated with reduced
18 expenses for meal money payments to certain employees who operated out of remote worksites
19 during the pandemic. Savings associated with business operations totaled \$2,569,000.

20 **Q. Did the Company have any additional offsets to the COVID-19 costs during the**
21 **deferral period?**

22 A. Yes, the Company has reduced its COVID-19 costs by the amount of credits associated

1 with the Employee Retention Credit created by the Coronavirus Aid, Relief and Economic
2 Security (“CARES”) Act, which was signed into law on March 27, 2020 and has since been
3 enhanced and extended by the Consolidated Appropriations Act of 2020 and the American
4 Rescue Plan Act of 2021. These offsets have been reported in the Company’s quarterly filings
5 and total \$10,225,000. The CARES Act credit discussed in this filing has not yet been realized,
6 and the recovery proposed herein is subject to true up if this credit is not received.

7 **Q. Do you believe that the decisions made, actions undertaken and the costs incurred**
8 **by the Company in response to the COVID-19 pandemic were reasonable and**
9 **prudent?**

10 A. Yes. Throughout very challenging times, the Company has responded to the evolving
11 needs of its customers, while maintaining safe and reliable electric and gas service. PSE&G,
12 as a provider of essential service, has the fundamental duty to provide safe and reliable service,
13 all the while upholding its responsibility to protect the health of our customers, the public at
14 large, and our own employees. The Company has fulfilled these duties and responsibilities
15 while prudently controlling costs. As acknowledged by the Board in its July 2, 2020 Order,
16 complying with the State’s various safety requirements and CDC guidelines has resulted in
17 significant and unforeseen costs to PSE&G, which have been prudently controlled throughout
18 the pandemic, and are reasonable, prudent and properly recoverable.

19 **Q. Does this conclude your testimony at this time?**

20 A. Yes, it does.

Qualifications of Michael A. Schmid

I am Vice President of Asset Management and Planning for Public Service Electric and Gas Company (“PSE&G” or the “Company”). With over thirty years of experience in gas delivery and electric operations at PSE&G, I have developed a broad set of managerial, leadership, strategic, analytical and engineering skills.

I began my career at PSE&G in 1991 as an associate engineer in the Company’s Trenton Gas division. I was promoted over the following years to a series of engineering positions with increasing levels of responsibility and in 1997 was promoted to the position of Operations Engineer-Integrated Services, with supervisory responsibilities for several Electric and Gas employees maintaining and improving the Distribution work management system (AWMS). In 1998 I was promoted to Distribution Business System Leader-Client Services, and from that time through November 2010 continued to broaden my knowledge of and responsibility for PSE&G’s Electric and Gas Distribution System as Asset Strategy Leader-Asset Management, Operations and Resource Manager - Gas Delivery, and Division Manager - Gas Delivery. Some examples of my responsibilities and accomplishments in those roles included management of the Electric and Gas Distribution Business Systems department, including the development and implementation of Distribution’s IT strategic vision; development and implementation of the Gas Distribution Asset Strategy and conversion of that strategy into annual prioritized work plans; management of the planning and design of PSE&G’s system for load growth and reinforcement; development and management of the utility’s capital and O&M work plans and financial plans; management of division-wide industrial relations matters; and responsibility for the appliance service business, gas

- 2 -

construction, operations and maintenance for approximately 600,000 gas customers covering a service territory of approximately 600 square miles.

In November 2010 I was promoted to Director of Appliance Service Field Operations/Gas Construction- Gas Delivery. In that position I provided leadership, strategic direction, and overall accountability for employees and contractors, and financial and material resources to safely deliver state-wide gas energy and appliance services to customers. In 2017 I became Electric Division Manager- Electric Operations, and provided strategy, leadership and direction over all departments within Electric Operations, with responsibility for customer satisfaction of approximately 500,000 customers, safety of approximately 500 employees, and ensuring diversity and inclusion for all employees within the division.

In 2019 I was promoted to Vice President, first of Asset Management and Centralized Services and then in 2021 of Asset Management and Planning, which is my current position. In these positions I have, among other things, provided management oversight and directed the resources and activities related to the overall management of PSE&G's electric and gas delivery assets and system performance and reliability; performed wholesale/retail energy supplier service management and basic generation service (BGS), basic gas supply service (BGSS), and NUG contract management; and managed key utility-wide processes including new business, street lights, interconnections, traffic control, utility capital project governance, specific SOx compliance areas and utility level self assessments.

I have a Bachelor of Science degree in civil Engineering from Rutgers University, an MBA in Management of Technology from NJIT, and I am a Professional Engineer.

Qualifications of Walter S. Yukniewicz Jr.

I am the Director of Medical and Safety for PSEG Services Corporation (“PSEG”). As Director, I am committed to protecting the employees, contractors and customers of PSE&G. With thirty-nine years of experience across several groups and divisions at PSEG, Public Service Electric & Gas Company (“PSE&G”), and PSEG Long Island (“PSEG LI”), I have developed a very strong customer service acumen and working knowledge of the electric/gas/transmission and distribution businesses, as well as an extensive knowledge of the workings of Human Resources, Environmental and Safety, Fleet Services and Materials, and Logistics.

I began my career with PSE&G as a Public Area Distribution Supervisor where I provided supervision in the construction, operation and maintenance of gas distribution facilities. I then assumed the role and responsibilities of Staff Engineer for the Summit District. Thereafter I was promoted to Supervising Engineer for the Summit, Clifton and Orange divisions at PSE&G and in 2004, I assumed the role of District Manager, responsible for the overall operation of field distribution and appliance service departments.

In 2007, I moved into labor relations as Manager of Industrial Relations for PSEG Services Corporation where I represented Corporate Senior Leadership in all matters involving the unions. Throughout my career I have been involved with the rolling out, implementing and management of the following areas: contract management, labor negotiations, conflict resolution, compliance programs, succession planning, talent reviews, performance management, training and development planning, employee survey results and action

- 4 -

planning, compensation and benefits, organizational effectiveness/organizational design. Having ascended through the bargaining unit and management ranks, I have established the ability to lead and direct the work activities of union craft personnel.

I continued to hone my leadership and strategic planning and management skills as the Manager for Process, Operations and Resources at PSE&G's Clifton division where I was responsible for the overall direction and management of construction, operation and maintenance of all distribution facilities within divisional bounds. Thereafter I became the lead human resource professional for PSEG LI directing a team to facilitate department organizational design, development, and management. Later as the Director of Operational Excellence for PSEG I was able to direct a team of peer professionals responsible for providing the HR department with the necessary strategies, tools, and processes to achieve operational distinction while ensuring appropriate benchmarking and compliance.

Through my work as the Director of HR for PSEG LI and Director Operational Excellence PSEG, I helped to develop and maintain independent and effective corporate compliance programs that ensured appropriate policies and procedures were in place. This work continues in my current position as Director of Medical and Safety where I direct peer professionals responsible for providing the Medical and Corporate Safety departments with the necessary strategy to achieve operational excellence through effective and consistent use of various tools, processes, reporting, and communication measures. I lead the planning and execution and infrastructure management of Medical, Health and Safety organizational initiatives as well as closely collaborate with the PSEG Benefits team. My current position also ensures appropriate benchmarking and compliance, best practice and external research

- 5 -

firm capabilities are available to the department and provide oversight and facilitation of all related programs in these areas.

I have a Master of Business Administration from the University of Phoenix and a Bachelor of Arts in Applied Social Sciences from Rider University.

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE NEW JERSEY
BOARD OF PUBLIC UTILITIES
RESPONSE TO THE COVID-19 PANDEMIC**

BPU DOCKET NO. AO20060471

**IN THE MATTER OF THE PETITION OF PUBLIC
SERVICE ELECTRIC AND GAS COMPANY'S FOR
APPROVAL OF INCREMENTAL COVID-19 COSTS FOR
RECOVERY THROUGH A NEW SPECIAL-PURPOSE
CLAUSE, AND FOR AUTHORIZATION TO RECOVER
UNCOLLECTIBLE COSTS FOR GAS THROUGH THE
SOCIETAL BENEFITS CHARGE**

BPU DOCKET NO. _____

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DIRECT TESTIMONY
OF
JANE BERGEN
DIRECTOR OF BILLING REVENUE & CONTROLS**

July 17, 2023

1 **Q. Please state your name, affiliation and business address.**

2 A. My name is Jane Bergen and I am the Director of Billing, Revenue & Controls in the
3 Customer Care group of Public Service Electric and Gas Company (“PSE&G” or the
4 “Company”), the Petitioner in this matter.

5 **Q. Please describe your responsibilities as the Director of Billing, Revenue &**
6 **Controls.**

7 A. As the Director of Billing, Revenue & Controls I am responsible for managing the
8 billing, payment, financial and analytical areas of customer operations as well as the control
9 environment for the entire meter to cash process. I am also responsible for the overall customer
10 experience team and for customer communications.

11 **Q. Please describe your educational and professional background and qualifications.**

12 A. This information is provided in Schedule JB-COVID-1, which is attached hereto.

13 **Q. What is the purpose of your testimony in this proceeding?**

14 A. My testimony supports the Company’s request to recover incremental costs associated
15 with, and incurred in preparation for and in response to the novel coronavirus health emergency
16 (“COVID-19” or the “pandemic”). I will provide testimony regarding certain COVID-19
17 Preparation and Response Costs and Incremental Labor costs. This includes costs associated
18 with customer communications and reporting requirements imposed as a result of the
19 pandemic, costs associated with enhanced payment assistance awareness communications,
20 enhanced collection efforts, and customer contact costs. I also provide testimony regarding
21 PSE&G’s forgone electric and gas distribution fee revenues. My testimony begins by
22 describing some of the challenges presented by COVID-19 and the extended moratorium on

1 certain collection activities, and the impact of those factors on PSE&G's incremental bad debt
2 cost during the relevant period, including the associated incremental carrying charges.

3 **COVID-19, The Extended Moratorium, and Increased Bad Debt Costs**

4 **Q. Please describe the history and drivers for incurring the incremental bad debt**
5 **and associated COVID-19 costs.**

6 A. On March 13, 2020, PSE&G voluntarily announced the suspension of shutoffs for all
7 electric and gas customers, which continued under Governor Murphy's Executive Order 190.
8 PSE&G also took action at that time to restore service to all active residential customers who
9 had previously been disconnected for nonpayment, waiving all reconnection fees and deposit
10 requirements for all new or existing customers. Additionally, PSE&G proactively refunded
11 deposits to assist struggling non-residential customers. Also at that time, the Company began
12 waiving late payment charges on all accounts, and suspended field collection.

13 Thereafter a series of actions by the Governor, the legislature and the BPU to provide
14 continued and additional protection to customers ensured that PSE&G would continue to incur
15 significant incremental cost. On March 3, 2021, Governor Murphy issued Executive Order
16 229, which further extended the moratorium on shut-offs for non-payment through June 30,
17 2021.

18 On May 12, 2021, Governor Murphy signed temporary legislation ("May 2021
19 Legislation") requiring utilities to provide notice to residential customers of available relief
20 measures during the COVID-19 pandemic. The May 2021 Legislation required notice via
21 several different channels including signage in offices, new customer welcome letters and the
22 company website. Monthly notice to residential customers was required for 18 months after

1 the end of the Public Health Emergency, with translated versions supplied to customers who
2 live in municipalities where the primary language of 10% or more of the population is a
3 language other than English. This requirement is still in effect.

4 On June 4, 2021, Governor Murphy signed legislation ending the COVID-19 Public
5 Health Emergency within the State, but continued the restrictions on utility shut-offs until
6 January 2022. On June 14, 2021 in EO 246 Governor Murphy ended the moratorium as of
7 June 30, 2021, but provided residential customers with a grace period on utility collection
8 activity or shut-offs until December 31, 2021. The grace period was intended to allow
9 customers to apply for available assistance, make payment arrangements with utilities to
10 address overdue balances, and provide time for the State to decide the process for distribution
11 of funds to customers in arrears available under the federal American Rescue Plan (“ARP”).
12 For those eligible for the Winter Termination Program, EO 246 effectively extended the
13 moratorium until March 15, 2022, which is the end of the winter termination period.

14 On September 14, 2021, the NJ Board of Public Utilities (the “Board” or “BPU”) issued
15 an Order (“September 2021 Order”) revising its Customer Bill of Rights to include the
16 temporary protections established in the recent legislation and the Governor’s Executive
17 Orders related to the COVID-19 pandemic. The Bill of Rights modifications also reiterated
18 provisions of the May 2021 Legislation, including requiring monthly notice to residential
19 customers concerning available utility assistance resources during the COVID-19 pandemic.
20 The Board has since made three additional revisions to the Bill of Rights adding, extending or
21 removing various protections to conform to changes in the laws based on the evolving situation

1 created by the COVID-19 pandemic. Each of these revisions required retranslations into
2 multiple languages, printing new signage and welcome letters, and printing and mailing
3 updated monthly notices to customers.

4 On March 25, 2022, Governor Murphy signed Bill S-2356, extending the moratorium
5 on shutoffs for certain residential customers with overdue utility payments for 60 days while
6 they awaited determination by the applicable State agency on application(s) submitted before
7 June 15, 2022 for payment assistance programs. These payment assistance programs include
8 the Universal Service Fund, Low Income Home Energy Assistance Program, Low Income
9 Household Water Assistance Program, and any other utility assistance programs administered
10 by the State. The bill also required all utilities to offer each residential customer in arrears a
11 bill payment plan for the unpaid balance of at least 12 months' duration. It also prohibited any
12 utility from collecting any interest, fee or charge from any residential customer for late
13 payment of any water, electric or gas bill that accrued between the declaration of a public
14 health emergency on March 9, 2020, as per EO 103 of 2020, and March 15, 2022.

15 On September 15, 2022, P.L.2022, c.107 was approved by the Governor, and requires
16 all utilities to provide a host of information—including supply, demand, revenue, expense,
17 lien, billing and sales information, and infrastructure project delays—to the BPU for the
18 purpose of evaluating the impact that COVID-19 has had on utility service.

19 **Q. How has the moratorium on shut offs and the restrictions on collection activities**
20 **affected the Company's customer account activity?**

21 A. The effects of COVID-19 and the associated moratorium and restrictions on collection
22 activities have been substantial. The extended moratorium on field collection activity

1 associated with the pandemic and the shut-off moratorium has caused both a large increase in
2 overdue Accounts Receivables (“AR”) balances as well as long-term delays in addressing
3 those AR balances. This has resulted in customers accumulating larger arrearages, and the
4 overall quality of the aged AR has continued to decline in terms of collectability—driving
5 higher reserves in anticipation of higher future write-offs.

6 After the March 2020 collections restrictions went into effect, unpaid accounts grew
7 exponentially and customer arrearages reached unparalleled levels. At its peak at month end
8 May 2022, overdue AR (all AR greater than 30 days) was \$598M—\$373M or 166% higher
9 than the \$225M in May 2019, the same time of year pre COVID in 2019. As of the end of
10 March 2023, overdue AR for residential and commercial customers was \$426M. This figure
11 is still \$208M higher (\$426M vs \$218M) than it was in March 2019—a 95% increase, with
12 270 thousand customers having bills greater than 6 months old. The recovery of AR balances
13 to pre COVID levels is going to extend multiple years.

14 **Q. How has the moratorium affected the Company’s bad debt expense?**

15 A. Bad debt expense is made up of the amount of AR written off plus any change in the
16 required reserve balance. In normal times, the reserve amount is relatively steady and the
17 expense is basically equal to the write-offs. The reserve balance needs to reflect the amount
18 of the AR on the books that is likely to not be paid—or the amount that will be written off in
19 the future. As AR goes up, particularly older, more at risk AR, the required reserve balance
20 needs to be increased to reflect that non-payment risk. During COVID, due to the suspension
21 of field shutoffs the overdue AR balances grew and the reserve requirement grew. So due to

1 the unusual suspension of normal field collection activity, PSE&G’s bad debt expense
 2 increased dramatically.

3 **Q. How are these increased bad debt expenses reflected in PSE&G’s request in this**
 4 **proceeding?**

5 A. The Gas bad debt expense booked during the relevant period was:

March – December 2020	\$47.5M
2021	\$60.4M
2022	\$29.6M
January-February 2023	\$6.3M
Total	\$143.8M

6

7 The level of gas bad debt expense currently included in PSE&G’s rates was established in the
 8 Company’s last base rate case, at a level of approximately \$25.2 million annually. Costs above
 9 that amount were considered incremental and included in PSE&G’s incremental COVID-19
 10 costs. This resulted in the following charges:

March – December 2020	\$28.5M
2021	\$35.2M
2022	\$4.4M
January-February 2023	\$0.1M
Total	\$68.2M

11

1 In addition to the incremental gas bad debt costs included in PSE&G's claim in this matter,
2 PSE&G also incurred incremental electric bad debt during the relevant period, which is subject
3 to recovery through Company's Societal Benefits Clause mechanism. The prudence of those
4 expenses through December 31, 2020 has already been reviewed and is currently being
5 recovered pursuant to the terms of the Board's order dated August 18, 2021 in BPU Docket
6 Numbers ER20110734 and GR20110735.¹ The remainder is being reviewed for recovery in
7 PSE&G's pending SBC matter, filed January 9, 2023, in Docket Numbers ER23010010 and
8 GR23010009. Since collection activities are the same with respect to gas and electric bills, the
9 prudence of those incremental electric costs being reviewed in the SBC docket as well as the
10 incremental gas costs included in PSE&G's claim in this matter are supported by my testimony.

11 **Q. Did the Company incur any additional costs due to the overdue accounts and the**
12 **AR associated with those accounts?**

13 A. Yes. As incremental AR continued to mount, the Company incurred carrying costs to
14 finance the higher AR balances. PSE&G has incurred on-going carrying charges reflecting
15 incremental financing on those incremental AR balances in the amount of \$65 million, as
16 shown on the attached Exhibit A. The AR balance used for the calculation was the incremental
17 AR >30 days. Each month the AR >30 days balance was compared to the balance for the same
18 month pre-COVID, and the incremental amount was used to calculate the additional carrying
19 cost. The pre-COVID time frame used was calendar year 2019. The test year time frame of
20 July 2017 to June of 2018 was also reviewed and considered; however the AR was slightly

¹ I/M/O the Petition of PSE&G for Approval of Changes in its Electric and Gas Societal Benefits Charge, Decision and Order Approving Stipulation, Dkt. Nos. ER20110734 and GR20110735 (August 18, 2021).

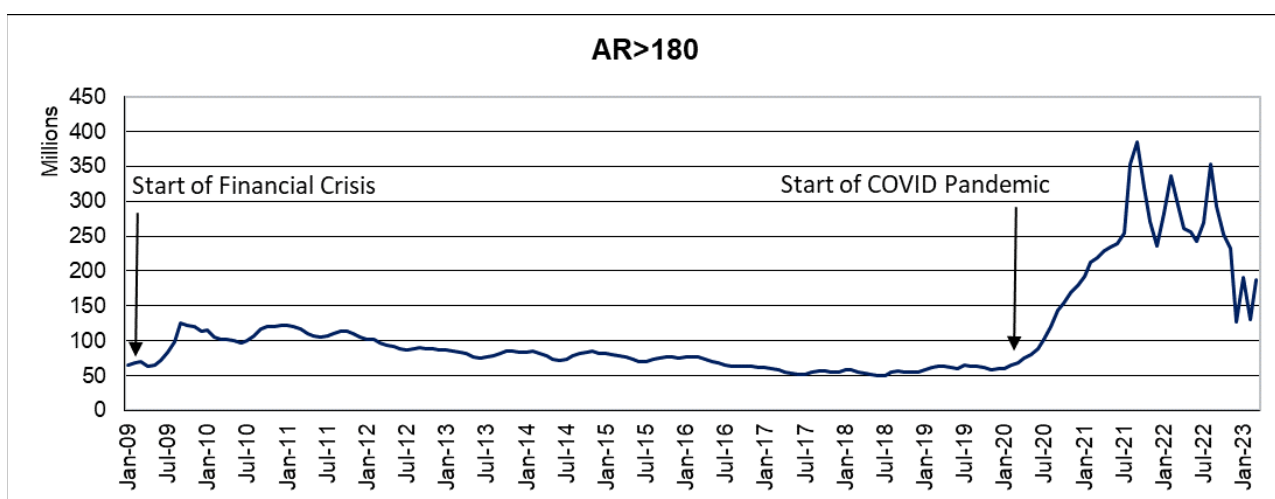
1 lower in the test year than in 2019 and the resulting AR carrying costs over the deferral period
2 would have been \$4.5M higher. The 2019 time frame comparison was more reflective of the
3 COVID impact and more prudent, as it resulted in a lower carrying cost deferral than if the
4 calculation were based on the test year. For perspective, the average monthly AR >30 days in
5 2019 was \$203 million and in 2022 it was \$503 million, requiring the financing of an additional
6 \$300M. While the incremental AR amount was different each month, initially growing for the
7 first two years and then declining, the carrying cost reflects 3 years of financing. The interest
8 rate used to calculate the carrying costs was 9.02%, which is the pre-tax weighted average cost
9 of capital from PSE&G's most recent base rate case. Given the duration of this elevated AR,
10 that WACC rate is appropriate, rather than a short-term debt rate.

11 **Q. What is the state of customer payments at this time?**

12 A. While customer payment patterns have not fully recovered to pre-COVID levels, total
13 overdue AR has decreased since its peak in May 2022. While this decrease coincides with the
14 resumption of residential field shutoff activity, the primary driver has been the receipt of
15 assistance payments on behalf of customers. Payments from traditional programs such as
16 LIHEAP and NJ USF have increased, but the primary driver has been payments received from
17 the ARP. Through March 2023, PSE&G received \$211M in funds from ARP, a specific
18 COVID-19 assistance program no longer accepting applications. With the bulk of the
19 incremental payment assistance dollars having already been received, the remaining aged
20 receivables have a higher likelihood of write-off and this is reflected in the current reserve.

21 The unprecedented set of challenges PSE&G, its customers and New Jersey have faced

1 as a result of the customer protections put in place by the State due to the global pandemic has
 2 resulted in all-time highs in the Company's AR and bad debt expense. The increases in AR
 3 are seen in every aging bucket; however the most dramatic increases are in the oldest buckets.
 4 The figure below shows the immediate, significant increase in AR greater than 180 days
 5 associated with the initial months of the pandemic.



Customer-Related Costs For COVID-19 Preparation/Response and Incremental Labor

8 **Q. Did PSE&G incur additional costs for customer-related activities during the**
 9 **COVID period?**

10 A. Yes. Costs in this area include costs associated with customer communications and
 11 reporting requirements imposed as a result of the pandemic, costs associated with enhanced
 12 payment assistance awareness communications, enhanced collection efforts, and customer
 13 contact costs.

14 **Q. Please describe what, if any, actions the Company has taken to combat the**
 15 **customer account challenges it has faced in the wake of the pandemic.**

16 A. The pandemic required PSE&G to quickly adapt and adjust its approach to collections.

1 PSE&G developed a set of practical activities that included targeted customer outreach,
2 advanced analytics, additional customer support and field resources and a comprehensive
3 customer awareness campaign. These activities and multiple contact attempts were designed
4 to provide customers the opportunity to garner financial assistance, enter into deferred payment
5 arrangements to avoid shut off, and affect payments in the most efficient means possible.
6 PSE&G believes that this overall strategy has benefited all customers while simultaneously
7 reducing accounts receivable.

8 **Q. Can you identify the incremental costs PSE&G incurred in connection with these**
9 **activities?**

10 A. Yes. The activities described in my testimony resulted in incremental costs of two
11 types. First, these activities underlie approximately \$13 million of the \$60.2 million included
12 in PSE&G's claim for COVID-19 Preparation and Response Costs, largely for services
13 provided by outside vendors. Secondly, these activities underlie approximately \$6 million of
14 the \$7.3 million included in PSE&G's claim for Direct COVID-19 OT and Incremental Labor.²
15 The costs in this category are attributable to incremental internal PSE&G resources required
16 to support customer services during the pandemic.

17 **Q. Can you describe the specific activities that PSE&G undertook?**

18 A. Yes, I can. Below is a summary of the activities PSE&G has taken during the COVID
19 deferral period. Note that not all of these activities drove incremental costs. The costs included
20 in PSE&G's claim in this case are limited as described in the following question and answer;

² The remaining costs in these two categories are for electric and gas operations and are described in the testimony of Michael Schmid.

1 the list of activities below is provided to demonstrate the magnitude of PSE&G's customer
2 outreach and collections efforts:

- 3 • Customer Outreach -- PSE&G targeted customer outreach activities include
4 multiple letter, phone, and email campaigns along with participation in virtual energy
5 assistance events and conferences as well as media and advertising. From 2021- March
6 15, 2023, PSE&G made 500 thousand residential and commercial premise visits in an
7 attempt to address outstanding receivables, promote new, more favorable payment
8 arrangements, and provide information on payment assistance options. See Exhibit B
9 for a list of expanded outreach and educational activities and samples of customer
10 correspondence, including the Company's field collection financial assistance
11 programs and resources hand out.
- 12 • Analytics and Customer Insights -- PSE&G engaged an industry leader in the
13 commercial and residential credit space to develop a collection strategy that utilizes
14 proprietary analytics and customer insights to enhance PSE&G's treatment of
15 commercial customers. These tools have served to increase the efficiency and
16 effectiveness of PSE&G's field collections and energy assistance activities. PSE&G
17 used internal data and analytics to determine customers who were struggling and
18 focused outreach activity on those customers in order to educate them on assistance
19 available, how to apply and what to do with PSE&G in order to avoid disconnection.
20 Additional outreach communications went to the entire residential customer base in the
21 event our internal analytics did not pick up on some customers who were struggling.

1 • Work with Counties to Distribute Available Assistance -- PSE&G worked with
2 individual counties to publicize their specific rental assistance programs throughout
3 2022. An analytical resource within PSE&G's collection department would promote
4 each county's programs through e-mail and phone calls to the delinquent customers
5 within each county. Then we would assist the county to ensure the money they
6 distributed to help customers with their utility bills was accurately applied to each
7 customer's PSE&G account.

8 • Additional Resources, Phone Support -- PSE&G has expanded internal and
9 engaged external resources in an effort to execute its collection strategy in response to
10 the unprecedented increase in arrearages experienced due to COVID-19 and the
11 extended shut-off moratorium. Both internal and external resources have been utilized
12 to provide additional outbound and inbound phone support. Temporary inbound
13 collection representatives and 25 contractors were hired to support the anticipated
14 increase in call volume as a result of a 100% increase in customers > 90 days in arrears.
15 These employees augmented employee staff and were responsible for managing phone
16 calls with customers to assist with the resolution of collection related inquiries, and
17 providing guidance and support securing payment assistance funding.

18 • Additional Resources, Field Visits -- Internal field collection resources have
19 been increased in an effort to reach customers who require field visits to initiate a
20 payment or enter into a deferred payment arrangement. PSE&G hired a vendor to
21 provide targeted outreach in the community by providing energy assistance information

1 at food pantries, health fairs, and places of worship. To facilitate visits to 72,000
2 residential customers, PSE&G secured an additional vendor who locally staffed this
3 initiative by engaging nonprofits throughout the PSE&G territory. This effort not only
4 benefitted customers who have not secured energy assistance or a deferred payment
5 arrangement but it provided employment opportunities in those same communities.

6 • Customer Awareness Program -- The Company implemented a customer
7 assistance awareness program beginning in May 2021. The purpose of the campaign
8 was to raise residential customers' awareness of assistance and resources available to
9 help them pay their bills. The program utilized the following communication tactics:

- 10 ○ Social media and digital
- 11 ○ Direct to customer communications such as: email, newsletters, bill inserts and
12 messages, direct mail and door to door visits
- 13 ○ Educational advertisements
- 14 ○ Media placements of editorial content, op-eds and broadcast of video/audio
15 public service announcements
- 16 ○ Radio and television ads
- 17 ○ Billboards
- 18 ○ Transit and convenience store ads
- 19 ○ Published resource articles in business trade media outlets
- 20 ○ Newsletters to local officials, social service agencies

- 1 ○ Engagement and partnership with local officials and non-profits, community
2 leaders and consumer advocates to amplify the communication effort with their
3 constituents

4 **Q. How were amounts to defer calculated?**

5 A. In all cases, the deferral request is for incremental costs, costs above and beyond
6 planned costs or costs included in base rates and only for costs related to requirements and
7 response to COVID-19. These costs were for activities that either would never have been done
8 but for the COVID-19 pandemic (i.e. hiring a vendor to do door to door payment assistance
9 visits, hiring temporary inbound collection representatives) or were done at levels considerably
10 higher than pre COVID (i.e. meter reading OT – almost never worked normally but for
11 holidays; higher translation services associated with collections calls). There were a variety
12 of different types of costs so the calculations varied; however they were all based upon
13 identifying costs that were incremental. Some were simple as in the hiring of temporary
14 inbound call center representatives. That was not something the company did prior, so all
15 temporary inbound representative costs were booked to the incremental category. Other
16 calculations were multistep and more complicated. An example of this was the additional
17 internal employee field collectors brought on in order to more quickly address the elevated
18 aged AR. Existing meter readers filled these additional field collector roles and then temporary
19 meter readers were hired. The calculation for these incremental field collector costs was the
20 pay differential for the meter readers who moved over to field collecting plus the cost of the
21 temporary meter readers at a lower starting salary. This resulted in a lower cost hitting the

1 deferral than if the full cost of each incremental field collector was used. For vendor costs,
2 again only those related to COVID-19 response, the general principle applied was a
3 comparison to 2019 pre COVID costs. Due to the length of the deferral period, there were
4 types of costs that were a savings initially and then an incremental cost (i.e. CSC security) and
5 vice versa. By the final filing, there were areas of additional vendor costs like call center
6 translation services, CSC security that were offset by savings in other vendor costs like
7 collection agency fees.

8 **Q. We've been discussing communications efforts; were there also incremental**
9 **operational costs associated with billing and collections?**

10 A. Yes, there were additional costs associated with incremental field collections and
11 telephone support. Specifically, incremental field collection activities were staffed from our
12 meter reader classification, leading to the backfilling of meter reading positions with temporary
13 employees. There were incremental meter reading overtime costs due to workforce availability
14 associated with COVID-related absences. Temporary inbound collection phone
15 representatives were hired to support the increase in call volume due to the higher number of
16 customers in arrears. These temporary phone representatives were also used to support
17 additional payment assistance applications, due to the more generous maximum income levels
18 for existing programs, as well as the introduction of additional programs such as ARP.
19 Additional Back Office Collections overtime was incurred managing the state funding being
20 offered to customers.

1 **Q. Please explain the claim for Foregone Distribution Fee Revenue.**

2 A. The Company experienced distribution fee revenue loss in the amount of approximately
3 \$14 million during the relevant period. This reflects the value of waived non-residential late
4 fees and forgone reconnection fees from the onset of the COVID shutdown through March 15,
5 2023. These fees normally are paid by customers and they were included in the test year of
6 PSE&G's most-recent base rate case, but PSE&G suspended these fees at the beginning of the
7 pandemic and as mandated during the moratorium. The monthly calculation for these foregone
8 distribution fee revenues was a comparison of the actual fees in that month to the same month
9 in the 2019 pre Covid time frame. The non-residential late fees were reinstated in August of
10 2021 and from that point on provided a credit to the deferral balance as the late fees were
11 higher than in 2019.

12 **Q. Can you explain and quantify the effectiveness of the Company's outreach**
13 **program in providing important information to low-income customers and small**
14 **businesses about the available customer assistance resources such as the Universal**
15 **Service Fund ("USF"), Low Income Home Energy Assistance Program**
16 **("LIHEAP") and all other general assistance programs during the COVID-19**
17 **deferral period?**

18 A. PSE&G is a founder of the New Jersey Utility Energy Outreach Group, an organization
19 made up of New Jersey utilities as well as the BPU, whose members coordinate on outreach
20 efforts providing information on low-income utility assistance programs to organizations that
21 serve the needs of low-income residents. The Company's Payment Assistance Outreach Team
22 ("PAO") provided a multifaceted approach to outreach, including employee training regarding
23 all utility assistance programs and several public awareness efforts, including mailers and print
24 and social media campaigns, paid media and advertising campaigns and collaboration with

1 local community agencies and non-profits to help disseminate the word on available assistance
2 programs. PSE&G also conducted outreach to its small business and commercial customers,
3 to promote special extended DPA terms and deliver information about payment assistance
4 available through the CARES program.

5 The Company can confirm that 124,873 residential customers participated in the USF
6 in 2020. In 2021 and 2022, 125,897 and 173,228 customers participated in USF respectively.
7 PSE&G can also confirm that in calendar year 2022, our customers received \$450 million
8 through all energy assistance programs, which was \$315 million more than 2021. PSE&G
9 believes that its outreach efforts have been effective, and recent customer surveys show that
10 close to 70% of all PSE&G customers are aware of energy assistance programs. Based on the
11 significant customer awareness campaign that PSE&G operated, the Company received a
12 request from the New Jersey Department of Community Affairs to perform outreach promoting
13 the American Rescue Plan on their behalf, which PSE&G did perform.

14 **Q. Please explain how the available customer assistance resources have helped to**
15 **resolve outstanding PSE&G customer balances.**

16 A. PSE&G recognizes and appreciates the efforts that have resulted in significant financial
17 assistance to customers who have been struggling throughout this extended period. The
18 expanded income guidelines for the historic assistance programs and the availability of the
19 American Rescue Plan has helped thousands of customers by paying their overdue energy bills.
20 However, many more customers either did not apply or did not complete the application
21 process because the possibility of shut-offs were removed as a motivating factor. PSE&G
22 believes the extended moratorium period (2 years) contributed to the problem. Indeed, many

1 customers who are significantly delinquent only began applying for assistance in the spring of
2 2023 as they were facing the threat of disconnection.

3 **Q. Do you believe that the decisions made, actions undertaken and the costs incurred**
4 **by the Company in response to the COVID-19 pandemic were reasonable and**
5 **prudent?**

6 A. Yes. The Board's Order in the COVID-19 proceeding allows for future recovery of all
7 "prudently incurred incremental costs related to COVID-19," in light of the extraordinary
8 circumstances that all stakeholders faced during the pandemic. The Company took the
9 appropriate steps to protect its customers and employees, including voluntarily suspending
10 shutoffs for all gas and electric customers at the outset of the pandemic, restoring service to
11 active residential customers who had previously been disconnected for nonpayment, and
12 waiving all reconnection fees as well as deposit requirements for new or existing customers.
13 PSE&G also proactively refunded deposits to struggling non-residential customers to help ease
14 their burden, and ultimately began waiving any late payment charges on all non-residential
15 accounts. PSE&G has been in regular communication with the Board's Customer Assistance
16 Division, and Board Staff provided positive feedback regarding PSE&G's actions throughout
17 the process.

18 There have been many aspects to navigating this pandemic. In prudently responding
19 to these conditions, the Company has been guided by federal and state authorities, including
20 the New Jersey BPU, as well as its medical advisors, in implementing a comprehensive
21 COVID response plan. While each of the actions undertaken by the Company were appropriate

1 and necessary for the protection of its customers and employees, and for New Jersey as a
2 whole, the Company's response came at a significant cost.

3 **Q. Does this conclude your testimony?**

4 **A.** Yes, it does.

Qualifications of Jane Bergen

1
2 I am Director, Billing Revenues and Controls, for Public Service Electric and Gas
3 Company (“PSE&G” or the “Company”). My work experience in utility and private industry
4 encompasses operations, project management, back office, finance, call centers and
5 engineering. I have worked for PSE&G for 16 years. For the first 3 years I was Director of
6 Customer Contact, responsible to lead and direct the resources, strategy and activities for a
7 24/7 multi-site call center operation with over 560 employees. In this role I oversaw
8 operations performance and process improvements to ensure that the strategies implemented
9 support the utility operations, especially during emergencies, and provided the voice of the
10 customer in business decisions throughout the utility. In my current role as Director, Billing
11 and Revenue Controls, I am responsible for managing the billing, payment, financial and
12 analytical areas of customer operations as well as the control environment for the entire
13 meter to cash process and the customer experience team.

14 Prior to my time at PSE&G, I held positions with: Keyspan Corporation (Design
15 Engineer and Sr. Field Engineer), where I supervised multiple construction projects and
16 performed engineering and financial analyses to design a pipeline networks.; Asea Brown
17 Boveri (Manager, Capital Budgets and Financial Analysis), where I was responsible for all
18 financial analysis and controls related to fixed assets and the capital budget, including
19 financial analysis of new projects and products for several divisions; Elizabethtown Gas
20 (Director, Billing Services; Director, Gas Field Services), where I was responsible for
21 Company’s entire billing process from meter reading through to billing, payments, and
22 collections and, among other things, took part in labor contract negotiations and testified at

ATTACHMENT 2
SCHEDULE JB-COVID-1

- 2 -

1 the New Jersey Board of Public Utilities and other government agencies; and Amerigas
2 Propane (Director Revenue Management), where I managed the operations and financial
3 performance of the revenue cycle for a nation wide propane company and was responsible
4 for, among other things, payments, credit and collections, account receivables and capital
5 budgets.

6 I have an MBA, Finance from New York University and a BS, Engineering from
7 Cornell University, College of Engineering.

Methods of Outreach :	Narrative Descriptions of the "Contents" of the Outreach and other relevant notes:	Indicate Whether Outreach Materials/Notices are provide in languages other than English: (Y/N)	Explanation of which Materials and Translated into what languages.	Links to any Webpage(s) that Provides Information Concerning Customer Rights and Assistance Programs.
Media				
Television - News 12*	<u>Evolving campaign addressing customer rights and assistance resources with messages including:</u>	N		
Radio - NY, NJ and Spanish radio (17 stations)*		Y	Spanish	
Static Billboards*		N		
Convenience Store Posters (bilingual)*		Y	Spanish	
Transit Advertising (Bus Shelters)*		N		
Spanish Newspaper (print and digital)*		Y	Spanish	
Digital Ads (programmatic)*		N		
Digital Advertorial and Display Ads (101.5)*		N		
Facebook Paid Ads		N		
YouTube Paid Ads*		N		
NextDoor*		N		
Organic Facebook*		N		
Twitter		N		
PSE&G Energize! Blog*		N		
YouTube Videos		N		
Press Releases (as necessary)		N		
Media Stories/Interviews (as available)*		N		
Website - pseg.com		Y	Spanish for all content and Bill of Rights in 8 languages	https://nj.pseg.com/aboutpsereg/regulatorypage/billofrights
Direct to Customer Communications				
Working for You Bill Newsletter*		N		
Bill Inserts		Y	Spanish	
Bill Messages		N		
Residential E-Newsletter		N		
Email		Y	Spanish as available	
Paperless Bill Notification Emails		N		
Outbound Calls		N		
On-hold Messages for Inbound Calls		N		
Direct Mail		Y	Customer Bill of Rights in Spanish, Polish, Portuguese, Korean, French, Gujarati, Tagalog, Chinese	https://nj.pseg.com/aboutpsereg/regulatorypage/billofrights
Door-to-Door Visits		Y	Spanish as available	
Local Community Outreach/Events: Community Center, Food Pantries, Soup Kitchens, Senior Centers		Y	Spanish as available	
Agency Assistance in Customer Service Centers		Y	Spanish as available	
Outer Bill Envelope Messaging*		N		
New Customer Welcome Letter		N		
Webinars		N		
Municipal E-Newsletters		N		

All enumerated activities have been employed throughout the campaign. *indicates inactive method of communication or content

Can't pay your energy bill?

WHAT YOU NEED TO KNOW

¿No puede pagar sus cuentas de energía?

LO QUE USTED DEBE SABER

USF & LIHEAP INCOME LIMITS

NORMAS DE INGRESO PARA USF

Household Size	Monthly Gross Income*
Tamaño de familia	Límites mensuales de ingreso bruto*
USF	
1	\$ 4,293
2	\$ 5,807
3	\$ 7,320
4	\$ 8,833
5	\$ 10,347
LIHEAP	
1	\$ 3,348
2	\$ 4,379
3	\$ 5,409
4	\$ 6,439
5	\$ 7,470

* Gross income is income before taxes.

* Ingreso bruto es ingreso antes de las deducciones de impuestos.

Note: For household sizes greater than 5, visit pseg.com/help
Por favor apunte: Para familias mayor de 5, visite a pseg.com/ayuda

If you continue to have problems paying your PSE&G bills call or visit:

Si continua teniendo problema pagando su factura de PSE&G llame o visite:

Credit and Collection: 1-800-357-2262

General Questions: 1-800-436-PSEG (7734)

pseg.com/help • pseg.com/ayuda



Helping you manage your energy bills



Scan to learn more about these programs.
Escanear aquí para aprender más de estos programas.

HELP IS AVAILABLE FOR EVERYONE

Universal Service Fund (USF) • 1-800-510-3102
(Monday – Sunday, 9 am - 9 pm)

USF helps make energy bills more affordable for customers. If you're eligible, USF can lower the amount you have to pay for your gas and electric bills. **USF applications accepted all year.**

Low Income Home Energy Assistance Program (LIHEAP)
• 1-800-510-3102 (Monday - Sunday, 9 am - 9 pm)

LIHEAP helps income eligible households pay their winter heating bills. You may qualify even if your heat is included in the rent. You must meet the income limits and should reapply each year, **from October 1 to June 30.**

USF and LIHEAP Program income limits are on this page.

NJ Lifeline Program • 1-800-792-9745

A \$225 yearly credit on your electric or gas bill for customers 65 years old or disabled adults over the age of 18 who receive a Social Security Disability benefit. Customer income must not exceed \$28,769 if single or \$35,270 if married.

NJ Lifeline applications accepted all year.

HAY AYUDA DISPONIBLE PARA TODOS

Fondo de Servicio Universal (USF) • 1-800-510-3102
(Abierto de lunes a domingo de 9 am a 9 pm)

USF hace que las facturas de energía sean más económicas para cliente. USF puede ayudarle a bajar la cantidad que paga por sus facturas de electricidad y gas si califica. **USF acepta solicitudes durante todo el año.**

Programa de Asistencia de Energía en los Hogares de Bajos Ingresos (LIHEAP) • 1-800-510-3102 (Abierto de lunes a domingo de 9 am a 9 pm)

LIHEAP puede ayudar a pagar la calefacción en el invierno si cumple con los límites de ingresos del hogar. También puede ser elegible si su calefacción esta incluida en la renta que paga cada mes. **Tiene que cumplir con las pautas de ingresos y solicitar entre el 1ro de octubre y el 30 de junio.**

Los límites de ingresos de los programas de USF y LIHEAP están en esta página.

Programa de Crédito NJ Lifeline • 1-800-792-9745

Un beneficio anual de \$225 es disponible para envejecientes que tengan 65 años o adultos incapacitados de 18 años que reciban beneficios de Seguro Social por Incapacidad. NJ Lifeline puede ayudar a pagar las facturas de electricidad y de gas si los ingreso para una persona soltera no son mas de \$28,769 y una casada no son mas de \$35,270.

Solicitudes para NJ Lifeline disponibles todo el año.

If you currently receive USF and/or LIHEAP you are not eligible for NJ SHARES.

Payment Assistance Gas and Electric (PAGE) • 1-855-465-8783

PAGE may provide to Low and Moderate income customers with financial assistance towards their past due bill or if service has been disconnected for non-payment. Customers must have a past due of \$100 or greater on the electric and/or gas bill.

NJ SHARES • 1-866-NJSHARES (657-4273)

NJ SHARES provides energy assistance to moderate and fixed-income households experiencing a financial crisis. Customer can receive a grant of up to \$1,400 (depending on the balance owed).

PAGE and NJ SHARES accept applications all year. To apply online visit njpoweron.org for PAGE and njshares.org for NJ SHARES.

For program guidelines and income limits for PAGE and NJ SHARES visit pseg.com/help.

• To download an application for these programs visit pseg.com/help.

Usted no califica al programa de NJ SHARES si está recibiendo USF y/o LIHEAP.

Programa de Ayuda con su Factura de Gas y Electricidad (PAGE)
• 1-855-465-8783

PAGE puede proporcionar a los clientes de ingresos bajos y moderados con asistencia para su factura vencida o si el servicio se ha desconectado por falta de pago. Los clientes deben tener una factura de servicios de electricidad o gas vencida de \$100 o mas.

NJ SHARES • 1-866-NJSHARES (657-4273)

El Programa de NJ SHARES provee asistencia de energía para hogares de ingreso fijo o modico que este pasando por una crisis financiera. Clientes pueden recibir un beneficio de hasta \$1,400 dependiendo del saldo en su cuenta de PSE&G.

PAGE y NJ SHARES están disponible todo el año. Para solicitar en línea visite njpoweron.org para PAGE y njshares.org para NJ SHARES.

Visite pseg.com/ayuda para revisar la tabla con los límites de ingresos para los programas de PAGE o NJ SHARES.

• Visite el sitio del Web: pseg.com/ayuda para descargar una solicitud.



LIHEAP/USF AGENCIES/AGENCIAS



BERGEN COUNTY

Greater Bergen County Community Action Inc.*

316 State St., Hackensack, NJ 07601
(201) 488-5100, ext. 2, Fax (201) 342-7452
liheap@greaterbergen.com
Mon. – Fri. 8:30 am - 4 pm
Mail applications: GBCA LIHEAP
535 Midland Ave. Garfield, NJ 07026

BURLINGTON COUNTY

Burlington County CAP

1 Van Sciver Park Way, Willingboro, NJ 08046
(609) 835-2464 option 3
Mon. – Fri. 9 am - 5 pm
homeenergy@bccap.org
All Applications Mail to:
718 S Route 130 Burlington, NJ 08016

CAMDEN COUNTY

Camden County Council on Economic Opportunity (OEO)*

Point Plaza, 5287 Route 70, Suite A, Pennsauken, NJ 08109
(856) 910-1180, Fax (856) 910-1186
Mon. – Fri. 9 am - 5 pm
WAPHEA@CCCCEO.com
or 538 Broadway, Camden, NJ 08103
Mon. – Fri. 9 am - 1 pm; 2 - 4 pm
(Appl. pick up/drop off only) (856) 964-6887

Camden County OEO @ PSE&G Camden CSC**

2 Riverside Dr. Camden, NJ 08103
Monday to Thursday, 10 am - 3 pm

Hispanic Family Center of Southern NJ, Inc.

2850 Federal St. Camden, NJ 08105
(856) 541-2717 ext. 313, Fax (856) 365-1862
Mon. – Fri. 8:30 am - 4:30
pmlvillatoro@hispanicfamilycenter.com

ESSEX COUNTY

La Casa De Don Pedro

317 Roseville Avenue, Newark NJ 07107
(973) 485-0795 or (973) 485-9984
Mon., Tues., and Thurs. 9 am - 4 pm; Wed. 9 am - 6 pm
Closed on Fridays
Drop off: Mon. – Fri. 9 am – 5 pm
Mail applications to: La Casa De Don Pedro,
P.O. Box 7118, Newark, NJ 07107

La Casa De Don Pedro at PSE&G Newark CSC

80 Park Plaza, Newark, NJ 07102
Mon. – Fri. 8:30 am - 4 pm

United Community Corporation (UCC)

290 Springfield Ave., Newark, NJ 07103
P.O. Box 8217, Newark, NJ 07103
(973) 642-0181 Ext. 3173 or 5711
Fax (862) 367-8027
liheapdocs@uccnewark.org

1021_Revised

GLOUCESTER COUNTY

Gateway CAP

901 North Delaware Street, Paulsboro, NJ 08066
(856) 423-0040, Fax (856) 423-0040
Mon., Tues., Thurs., Fri. 9 am - 3:30 pm;
Wed. 9 am – 6 pm; (Oct - Dec ONLY)
GloucesterSSD@gatewaycap.org

Hispanic Family Center of Southern New Jersey

21 Delaware St., Woodbury, NJ 08096
(856) 848-7150 ext. 412, Fax (856) 365-1862
Mon. – Fri. 8:30 am - 4:30 pm

HUDSON COUNTY

Bayonne Economic Opportunity Foundation (BEOF)

555 Kennedy Boulevard, Bayonne, NJ 07002
P.O. Box 1032, Bayonne, NJ 07002
(201) 437-7222, Fax (201) 437-7220
information@beof.org
Mon. - Thurs. 8:30 am - 4 pm;
Fri. 8:30 am - 3:30 pm

P.A.C.O. Energy Conservation Department*

346 Central Avenue, Jersey City, NJ 07307
Mon., - Fri. 9 am - 4 pm;
(201) 217 – 0583, Toll-free after hours
1-844-722-6432
LIHEAP@pacoagency.org

P.A.C.O. at PSE&G Jersey City CSC

35 Journal Sq. Suite #2 Jersey City, NJ 07306
Tues. and Thurs. 9 am - 4 pm

P.A.C.O. at PSE&G North Bergen CSC

5665 John F. Kennedy Blvd
North Bergen, NJ 07047
Tues. and Thurs. 9 am - 4 pm

HUNTERDON COUNTY

NORWESCAP, Inc.

84 Park Ave. Flemington, NJ 08822
908-782-0612, Fax (908) 454-3768
Mon. - Fri. 8:30 am - 4:30 pm
housing@norwescap.org
Mail applications to: NORWESCAP, Inc.
350 Marshall Street, Phillipsburg, NJ 08865

MERCER COUNTY

Mercer County Administration*

640 S. Broad Street, Rm 101, Trenton, NJ 08650
(609) 989-6959, Fax (609) 278-2758
Mon. – Fri. 8:30 am - 4 pm
Call to set up appointment 609-337-0933

Mercer County Administration at Mercer County Connections

Hamilton Square Shopping Center

Highway 33 at Paxson Ave., Hamilton, NJ 08690

Tues. & Thurs. 10 am-12 noon
Call to set up appointment 609-337-0933

Mercer County Hispanic Assoc. (MECHA)

231 Bakers Basin Rd. Unit 5, Lawrenceville, NJ 08648
(609) 578--4246 Mon. – Fri. 9 am - 4 pm
energy-assistance@njmecha.org

MECHA @ PSE&G Trenton CSC**

28 W State St. Trenton, NJ 08608
Mon. – Fri. 9 am - 2:30 pm

MIDDLESEX COUNTY

Puerto Rican Action Board (PRAB)*

90 Jersey Avenue, New Brunswick, NJ 08901
(732) 828-4510
Mon. - Fri. 9 am - 5 pm
HEA@prab.org
or 313 State Street, 3rd Fl, Perth Amboy, NJ 08861
Mon. - Fri. 9 am - 3 pm

MONMOUTH COUNTY

Affordable Housing Alliance (AHA)

20 Gibson Place, Suite 200, Freehold, NJ 07728
(732) 982-8710
Or 59 Broad Street Eatontown, NJ 07724
Or 3535 Route 66 Parkway 100. Building 4,
Neptune Township, NJ 07753
Mon. – Fri. 9 am - 4 pm
HEAdocs@housingall.org or for PAGE applications only:
PAGEAPP@housingall.org

MORRIS COUNTY

Morris County Org. for Hispanic Affairs, Inc.

95-97 Bassett Highway, Dover, NJ 07801
(973) 366-1131 or (973) 366-9025
Fax (973) 361-7878
Mon. Wed. Fri. 9 am - 12 pm; Tues. 9 am - 7 pm
info@mcoha.org
(City of Morristown only)
45 Clyde Potts Ct., Morristown, NJ 07960
(973) 644-5627 or (973) 644-4884
Mon. Tues., Thurs. Fri 9 am - 4 pm Closed Wed.

PASSAIC COUNTY

County of Passaic Division of Weatherization and Home Energy

Totowa Business Center, 930 Riverview Drive, Suite 250,
Totowa, NJ 07512
(973) 569-4032, Fax (973) 256-2067
energyassist@passaiccountynj.org
Mon. – Thurs. 9 am - 3:30 pm
Drop off only: Fri. 9 am - 3:30 pm

Passaic County - Paterson Home Energy Office

301 Main Street, Center City Mall, U-Level
Paterson, NJ 07505
Mon. – Thurs. 9 am - 3:30 pm
Drop off only: Fri. 9 am - 3:30 pm

Passaic County Home Energy @ Passaic City Hall

330 Passaic Street; Passaic, NJ 07055
Mon. – Thurs. 9 am - 3:30 pm;
Drop off only: Fri. 9 am - 3:30 pm

Paterson Task Force (PTF)

213 Broadway, Paterson, NJ 07501
(973) 279-2333 ext. 131 or 132
amclendon@patersontaskforce.com
or 32-34 Circle Ave. Paterson, NJ 07522
rvelez@patersontaskforce.com

SOMERSET COUNTY

NORWESCAP, Inc.

120 Finderne Ave.; Bridgewater, NJ 08807
(908) 685-3033; housing@norwescap.org
Mon., - Thurs. 9 am - 2 pm
NORWESCAP: Mail Applications to 350 Marshall St.
Phillipsburg, NJ 08865

UNION COUNTY

PROCEED, Inc.

1122 E. Grand St., Elizabeth, NJ 07201
(908) 351-7727 ext. 292
Mon. – Fri. 8:30 am – 3:00 pm or
120 West 7th Street, Suite 217, Plainfield, NJ 07060
Mon. & Wed. only 9 am - 3 pm

HOPES CAP, Inc.*

1201 E. 7th St., Plainfield, NJ 07062
Attn: Community Programs
(855) 654-6737 x1016
Fax (201) 855-5238
energyassistance@hopes.org

HOPES at PSE&G Plainfield CSC**

120 W. 7th Street, Plainfield, NJ 07060
Mon. – Fri. 10 am – 4 pm

**CSC – Customer Service Center

*Applications must be submitted or mailed to the agency address within the county

*Solicitudes tiene que ser sometidas o enviadas a la dirección de la agencia en el condado que vive.



Helping you manage your energy bills



Programs to help pay your PSE&G bill

For more information about these programs, visit pseg.com/help.

LOW TO MODERATE INCOME PROGRAMS

Universal Service Fund (USF) ▶ 1-800-510-3102

- ▶ PSE&G customers can receive from \$5 to \$180 per month toward their PSE&G bill.
- ▶ If you apply for LIHEAP you are also applying for USF.
- ▶ USF accepts applications year round.

USF Fresh Start Program is available to any customer with a past due of \$60 or greater.

USF GROSS INCOME LIMITS

Household Size♦	Monthly Gross Income*
1	\$4,530
2	\$6,103
3	\$7,677
4	\$9,250

Low Income Home Energy Assistance Program (LIHEAP) ▶ 1-800-510-3102

- ▶ PSE&G customers typically receive an average of \$300 toward their utility bill.
- ▶ Customers with a household income at or below income limits can apply.
You may also be eligible for USF.
- ▶ LIHEAP accepts applications from October 1 to June 30.

To apply online for LIHEAP and USF or for more information, visit energyassistance.nj.org

LIHEAP GROSS INCOME LIMITS

Household Size♦	Monthly Gross*
1	\$3,464
2	\$4,530
3	\$5,596
4	\$6,662

MODERATE INCOME PROGRAMS

Payment Assistance Gas and Electric (PAGE) ▶ 1-732-389-2204 ▶ njpoweron.org

- ▶ Low and Moderate income customers may get financial assistance towards their past-due bill or disconnected for non-payment. Customers must have a past due electric or gas utility bill.

▶ To qualify for PAGE, you must:

- ▶ Have a balance on your utility bill of at least \$100 and be past due.
- ▶ Meet income eligibility listed in the chart and program guidelines. Income eligibility is zero income to maximum levels shown.
- ▶ To apply for PAGE, call 1-732-389-2204 to locate the agency in your county or apply online at njpoweron.org
- ▶ PAGE applications are available all year.

- ▶ **Customers who are eligible for LIHEAP and (USF) Programs must first apply for those programs and then if they meet PAGE requirements can then apply for PAGE.**

PAGE GROSS INCOME LIMITS

Household Size♦	Max. Gross Annual Income
1	\$69,282
2	\$90,600
3	\$111,918
4	\$133,237

NJ SHARES (NJS) ▶ 1-866-NJSHARES (657-4273) ▶ njshares.org

- ▶ PSE&G customers can receive up to \$700 for electric; customers can receive up to \$700 for gas, depending on the balance owed on their PSE&G bill.
- ▶ Customers with a household income higher than LIHEAP or USF income limits, and lower than the income limits listed, may apply.
- ▶ NJS accepts applications year round.
- ▶ To find the agency where to apply, call 1-866-657-4273 or apply online at njshares.org.

NJS GROSS INCOME LIMITS

Household Size♦	Monthly Gross Income*
1	\$4,860
2	\$6,573
3	\$8,287
4	\$10,000

SENIORS/
DISABLED
ADULTS

NJ Lifeline ▶ 1-800-792-9745 ▶ aging.nj.gov

- ▶ Seniors who are at least 65 years old, and disabled adults who are at least 18 years old and receiving Social Security Disability Title II can apply to receive \$225 yearly credit. Customer's annual gross income (**not the household income**) must be less than \$42,142 if single or less than \$49,209 if married.
- ▶ NJ Lifeline accepts applications year round.

You may obtain applications for all programs, except NJ SHARES, at your local utility's website or in person at the local agency.

♦ For household sizes greater than four visit the program's website or your local utility's website.

* Gross income is income before taxes.

Vea al dorso para español.



Programas para ayudarle pagar su factura de PSE&G

Visite a pseg.com/ayuda para más información sobre estos programas.

DE BAJO Y MÓDICO INGRESO

Fondo de Servicio Universal (USF) ▶ 1-800-510-3102

- ▶ Clientes de PSE&G pueden recibir entre \$5 a \$180 por mes a favor de su factura.
- ▶ Si solicita por LIHEAP también está solicitando por USF.
- ▶ USF acepta solicitudes durante todo el año.

El programa de USF Fresh Start está disponibles para cualquier cliente con un atraso de \$60 o mas.

USF LIMITES DE INGRESO BRUTO

Tamaño de familia♦	Ingreso Bruto* Mensual
1	\$4,530
2	\$6,103
3	\$7,677
4	\$9,250

Programa de Asistencia de Energía para Familias de Bajos Ingresos (LIHEAP)

▶ 1-800-510-3102

- ▶ Los clientes de PSE&G normalmente reciben un promedio de \$300 a favor de su factura.
- ▶ Clientes con un ingreso familiar igual o menos de los límites de ingresos pueden solicitar. *Usted también puede ser elegible para la USF.*
- ▶ Solicitudes para LIHEAP son aceptadas entre el 1 de octubre hasta el 30 de junio.

Visite energyassistance.nj.gov para más información de los programas de LIHEAP y USF o para solicitar en línea.

LIHEAP LIMITES DE INGRESO BRUTO

Tamaño de familia♦	Ingreso Bruto* Mensual
1	\$3,464
2	\$4,530
3	\$5,596
4	\$6,662

DE INGRESO MÓDICO

Subvención de Ayuda con Pagos de Gas y Electricidad (PAGE) ▶ 1-732-389-2204 ▶ njpoweron.org

- ▶ Los clientes de ingresos bajos y moderados pueden obtener asistencia para su factura vencida o desconectada por falta de pago. Los clientes deben tener una factura de electricidad o gas vencida.
- ▶ Para calificar para PAGE, debe:
 - ▶ Tener un saldo en su factura de servicios públicos de al menos \$100 y estar vencido.
 - ▶ Cumplir con los requisitos de ingresos enumerados en la tabla y las pautas del programa. La elegibilidad por ingresos es de cero ingresos hasta los niveles máximos que se muestran.
 - ▶ Para solicitar PAGE, llame al 1-732-389-2204 para ubicar la agencia en su condado o solicite en línea en njpoweron.org
 - ▶ Las aplicaciones PAGE están disponibles todo el año.
- ▶ Los clientes que son elegibles para los programas LIHEAP y (USF) deben solicitar primero esos programas y luego, si cumplen con los requisitos de PAGE, pueden solicitar PAGE.

PAGE LIMITES DE INGRESO BRUTO

Tamaño de familia♦	Ingreso Bruto* Anual Máximo por Cliente
1	\$69,282
2	\$90,600
3	\$111,918
4	\$133,237

NJ SHARES (NJS) ▶ 1-866-NJSHARES (657-4273) ▶ njshares.org

- ▶ Clientes de PSE&G pueden recibir hasta \$700 para electricidad; los clientes pueden recibir hasta \$700 para gas, dependiendo del saldo que deben en su factura de las compañías de utilidades.
- ▶ Clientes con un ingreso familiar más de los límites de ingresos de LIHEAP o USF, y menos de los límites de ingresos alistados.
- ▶ NJS acepta solicitudes durante todo el año.
- ▶ Para localizar la agencia dónde aplicar, llame a 1-866-657-4273 o solicitar en línea en njshares.org

NJS LIMITES DE INGRESO BRUTO

Tamaño de familia♦	Ingreso Bruto* Mensual
1	\$4,860
2	\$6,573
3	\$8,287
4	\$10,000

ENVEJECIENTES/
ADULTOS
DISCAPACITADOS

NJ Lifeline ▶ 1-800-792-9745 ▶ aging.nj.gov

- ▶ Las personas mayores que tienen por lo menos 65 años de edad, y adultos con una discapacidad que tengan al menos 18 años de edad y que reciben un beneficio Seguro Social Título II por Discapacidad pueden solicitar para recibir un crédito anual de \$225. El ingreso bruto anual del cliente (**no el ingreso de otros en el hogar**) debe ser menos de \$42,142 si es soltero(a) o menos de \$49,209 si es casado(a).
- ▶ NJ Lifeline acepta solicitudes durante todo el año.

Usted puede obtener solicitudes para todos los programas excepto NJ SHARES visitando el sitio web de su compañía local de utilidades o en persona en la agencia local.

♦ Para hogares de más de cuatro personas, visite el sitio web del programa o el sitio web de su compañía de utilidades.

* Ingreso bruto es ingreso antes de deducción de impuestos.

See reverse side for English.

Important Information from PSE&G about **Bill Payment Assistance**



PSE&G

The American Rescue Plan is offering financial assistance to help customers pay past-due energy bills.

The Department of Community Affairs is accepting applications for this assistance for a limited time. The application process is simple and no documentation is required.

To apply, **call 1-844-930-1778**,
or **visit [pseg.com/energyassistance](https://www.pseg.com/energyassistance)**.

After you apply, please let us know by contacting PSE&G at 1-800-357-2262.

In addition, note that LIHEAP (Low Income Home Energy Assistance Program) **emergency assistance** is available until June 30, 2022.

For information about all payment assistance programs,
visit **[pseg.com/helpnow](https://www.pseg.com/helpnow)**

We're here to help.



PSE&G

80 Park Plaza, T-7
Newark, NJ 07102

ATTACHMENT 2

EXHIBIT B

Page 7 of 13

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
NEW BRUNSWICK, NJ
PERMIT NO. 844

The time to act is *now!*

REMINDER

Help is available
to pay your energy bill.



PSEG

Energy assistance and payment arrangements are available.

PSE&G will resume bill-collection activity, including service shut-offs for non-payment, starting on March 16, 2022. **We urge you to check your bill and take immediate action** if you have a past-due balance to avoid possible disconnection of your electric or gas service.

You may qualify for help even if you are not behind on your energy bill right now. It's also important to know that more customers are now eligible for payment assistance, thanks to increased income limits.

To apply for energy assistance programs:

- Visit nj211.org/utility-assistance-programs
- Call 2-1-1

PSE&G is offering flexible payment arrangements with no money down regardless of your payment history. But the time to act is now, because these special payment terms are **only available until March 15, 2022**.

To make a payment arrangement:

- Visit pseg.com/myaccount
- Call 800-357-2262. When asked, "What would you like help with today?" just say "payment arrangement."

We're here to help.

For more information, visit pseg.com/helpnow



PSE&G

80 Park Plaza, T-7
Newark, NJ 07102

ATTACHMENT 2

EXHIBIT B

Page 9 of 13

PRESORTED
FIRST-CLASS MAIL
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NEW BRUNSWICK, NJ
PERMIT NO. 844

Important Information from PSE&G about **Bill Payment Assistance**



PSE&G

Did you know you can get a “Fresh Start” on your energy bill?

Act now! The State of New Jersey’s Universal Service Fund (USF) and Fresh Start program can help make energy bills more affordable by lowering the amount you have to pay for your gas and electric bill, and providing forgiveness of past-due balances.

If you apply for USF and Fresh Start, you will also be applying for the Low Income Home Energy Assistance Program (LIHEAP) which helps with heating bills, medically necessary cooling costs, and weatherization services.

Inflation remains high. If you’re struggling to pay your bills, these programs can help.

For assistance with an application, please call 2-1-1, or visit pseg.com/energyassistance.



PSEG

80 Park Plaza, T-7
Newark, NJ 07102

ATTACHMENT 2

EXHIBIT B

Page 11 of 13

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
NEW BRUNSWICK, NJ
PERMIT NO. 844

Year	Month	Day	City	Location	Venue Type	Customers Contacted / Packages Distributed
2021	December	3	Trenton	Princeton Deliverance	Food Pantry	150
2021	December	6	Mount Holly	Christian Community Center	Community Center	75
2021	December	8	Irvington	Church Women United	Church/Food Pantry	125
2021	December	9	Cherry Hill	Cherry Hill Food Pantry	Food Pantry	100
2021	December	21	Hamilton	Bromley Neighborhood Center	Community Center	70
2022	January	4	West Orange	Holy Trinity Episcopal Church	Church/Food Pantry	90
2022	January	10	Camden	Salvation Army	Community Center	200
2022	January	12	Moorestown	St. Matthew Lutheran Church	Church/Food Pantry	60
2022	January	13	Elizabeth	Elizabeth Community Center	Community Center	150
2022	January	19	Cherry Hill	Cherry Hill Food Pantry	Food Pantry	95
2022	January	21	Camden	The Neighborhood Center	Community Center	75
2022	January	25	Fair Lawn	Fair Lawn Bourough	Food Pantry	50
2022	January	27	Haddon Heights	Fellowship Church	Church /Food Pantry	75
2022	February	1	Woodbridge	Heaven's Helpers	Food Pantry	150
2022	February	3	Passaic	The Salvation Army of Passaic	Community Center	175
2022	February	7	Camden	Urban Promise	Food Pantry/Community Ministry	125
2022	February	10	Jersey City	The Hope Center	Church/Food Pantry	120
2022	February	14	Camden	Koinonia Family	Community/Economic Center/Pantry	125
2022	February	16	Newark	New Community Corp	Community Center/Pantry	65
2022	February	22	Old Bridge	Old Bridge Center Center	Senior Center/Food Pantry	200
2022	February	24	Metuchen	First Presbyterian Church	Church/Food Pantry	100
2022	March	3	New Brunswick	Elijah's Promise	Soup Kitchen	200
2022	March	8	E. Brunswick	Aldersgate Community Center	Community Center/Pantry	125
2022	March	9	Camden	Mt. Olivet SDA Church	Food Pantry	135
2022	March	14	Burlington City	Tabernacle Baptist	Soup Kitchen	200
2022	March	18	Mt. Holly	Beacon of Hope	Resource Center/Clothes/Food	125
2022	March	21	Morriston	NJ Nourish	Soup Kitchen	70
2022	March	23	Newark	First Hopewell Baptist	Church/Food Pantry	175
2022	March	28	Tenafly	Tenafly Senior Center	Senior Center/Food Pantry	100
2022	March	29	Bloomfield	Bloomfield Church on the Green	Food Pantry	80
2022	April	4	Paterson	Grandparents Relatives Care	Food Pantry	200
2022	April	6	Newark	St. Ann's Kitchen	Soup Kitchen	180
2022	April	13	Merchantville	Grace Episcopal Church	Food Pantry	120
2022	April	14	Paterson	Amerigroup Health/Resource	Resource/Health Fair	60
2022	April	19	Elizabeth	St. Joseph Social Services	Social Services/Food Pantry	170
2022	April	20	Trenton	Turning Point United Methodist	Food Pantry	100
2022	April	27	Newark	Bethany Baptist Church	Food Pantry	200
2022	April	30	Plainfield	Plainfield H.S. Utility/Health Fair	Utility/Health Fair	85
2022	May	2	Kearney	The Salvation Army of Kearney	Salvation Army/Food Pantry	120
2022	May	6	E. Brunswick	Aldersgate Community Center	Food/Clothing Pantry	100
2022	May	7	Secaucus	Secaucus Green Festival	Resource Fair	65
2022	May	9	Plainfield	Shiloh Baptist Church	Food Pantry	150
2022	May	12	Hillsborough	Hillsborough Township	Community Resource/Food	200
2022	May	13	New Brunswick	Unity Square Community	Social Services/Food Pantry	100
2022	May	14	Irvington	Irvington Health & Wellness Fair	Health & Wellness/Resource	115
2022	May	16	New Brunswick	Vanessa's Food Pantry	Food Pantry	150
2022	May	17	Wanaque	Wanaque Feed The Hungry	Food Pantry	75
2022	June	7	Camden	PBU Utility Assistance	Utility Assistance Fair	68
2022	June	11	Plainfield	Hopes CAP Comm. Resource Fair	Resource Fair	72
2022	June	14	Cranbury	Skeets Pantry	Food Pantry	200
2022	June	17	New Brunswick	Christ Episcopal Church	Food Pantry	76
2022	June	20	New Brunswick	Five Loaves Food Pantry	Food Pantry	150
2022	June	21	Park Ridge	Pascack Food Center	Food Pantry	120
2022	June	22	Flemington	Flemington Area Food Pantry	Food Pantry	82
2022	June	23	Montclair	Human Needs	Community Resource/Food	185
2022	June	27	Audubon	Senior Citizen Community Cnt.	Senior Citizens Center	75
2022	July	11	Lincoln Park	Lincoln Park Borough	Food Pantry	75
2022	July	12	Maplewood	St. Joseph's Church	Food Pantry	125
2022	July	14	Piscataway	Zion Hill Baptist Church	Food Pantry	130
2022	July	16	North Bergen	Community Health Fair	Health & Wellness/Resource Fair	75
2022	July	18	Camden	Church Of The Sacred Heart	Food Pantry	100
2022	July	19	Jersey City	St. Matthews Lutheran Church	Food Pantry	175
2022	July	26	Montclair	Grace Pointe 7th Day Adventist	Food Pantry	150
2022	July	27	Trenton	United Progress	Social Services/Food Pantry	135
2022	August	2	Elizabeth	Jewish Family Services	Social Services/Food Pantry	130
2022	August	3	Pennsauken	Liola Kraus Pantry	Food Pantry	110
2022	August	5	Deptford	Laurelwood SDA Church	Food Pantry	100
2022	August	8	Plainfield	Neighborhood Health	Neighborhood Health Fair	120
2022	August	9	Passaic	North Hudson Health Fair	Health Fair	75
2022	August	16	Hasbrouck Heights	Hasbrouck Heights Borough	Borough/Food Pantry	50
2022	August	22	Somerset	Zarephath Food Pantry	Food Pantry	100
2022	August	23	Paterson	St. Paul's Community Corp	Community Service/Pantry	130
2022	August	28	Elizabeth/Linden	Warinanco Park	Community Health Fair	30
2022	August	29	Westville	Macedonia Baptist Church	Food Pantry/Preschool	75
2022	September	1	Butler	St. Anthony of Padua	Food Pantry	60
2022	September	2	Camden	Kipp Cooper Norcross	Food Pantry/Academy	250
2022	September	10	Rahway	Community Health Fair	Health and Resource Fair	80
2022	September	12	East Orange	Calvary Baptist Church	Food Pantry	97
2022	September	19	Lyndhurst	Lyndhurst Sacred Heart	Food Pantry	75
2022	September	26	Bridgewater	Feeding Hands	Food Pantry	400
2022	September	28	Riverdale	Riverdale Food Pantry	Food Pantry	65
2022	September	29	Camden	New Life Community Development	Food Distribution Center	100
2022	October	1	Burlington	City of Burlington Fundraiser Event	Fundraiser (rescheduled 11-5-22)	0
2022	October	5	Audubon	Logan Memorial	Food Pantry	75
2022	October	6	Trenton	Care Finders Event	Community Resource Event	40
2022	October	14	Roselle Park	Church of the Assumption	Food Pantry	60

2022	October	17	Jersey City	Mt. Pisgah AME Church	Food Pantry	100
2022	October	18	Newark	Nellie Grier Senior Center	Senior Center	50
2022	October	25	East Orange	Horizon of Hope	Community Cnt./Food Pantry	225
2022	October	28	Mt. Holly	First Presbyterian Church	Food Pantry	65
2022	October	29	Passaic	Fall Festival Christopher Columbus Pk	Fall Festival	165
2022	November	2	Piscataway	Fish in Dunellen	Food Pantry	135
2022	November	5	Burlington	City of Burlington Fundraiser Event	Fundraiser	95
2022	November	9	Newark	St. Michaels R.C. Church	Food Pantry	125
2022	November	10	Metuchen	St. Francis Church	Food Pantry	50
2022	November	15	East Orange	East Orange Senior Center	Senior Center	130
2022	November	17	Passaic	Father English Church	Food Pantry	280
2022	November	21	Deptford	First Baptist Church	Food Pantry	100
2022	November	28	Union	St. Michaels Church	Food Pantry	80
2022	November	29	Westville	Catholic Diocese	Food Pantry	75
2022	November	29	Newark	St. Anns Kitchen	Soup Kitchen	100
2022	December	1	Bloomingtondale	Bloomingtondale Senior Center	Senior Center	85
2022	December	2	Burlington	Sisterhood Inc.	Social Services/Food Pantry	175
2022	December	6	Camden	New Mickle Church	Food Pantry	75
2022	December	15	Burlington	Life Gate Assembly of God	Food Pantry	130
2022	December	16	Trenton	Human Trafficking Summit	Summit	12
2022	December	16	South Orange	Our Lady of Sorrow	Food Pantry	0
2022	December	19	Hillsdale	Helping Hands	Pregnancy Resource Center/Food	175
2022	December	21	Burlington	St Marys Episcopal	Food Pantry	82
2022	December	22	Jersey City	Salvation Army	Social Services/Food Pantry	160
2023	January	3	Haddon Heights	Fellowship Church	Food Pantry	150
2023	January	13	Jersey City	St. Johns Lutheran	Food Pantry	200
2023	January	16	Edison	St. James Episcopal	Food Pantry	110
2023	January	17	Collingswood	Collingswood Food Pantry	Food Pantry	75
2023	January	20	South Orange	Our Lady of Sorrow	Food Pantry	250
2023	January	23	Randolph	Township of Randolph	Community Resource/Food	60
2023	January	24	Jersey City	Old Bergen Church	Food Pantry	125
2023	January	25	Scotch Plains	Immaculate Heart of Many	Food Pantry	175
2023	January	30	Piscataway	FISH Hospitality Program	Clothing Pantry	80
2023	February	3	Union City	The Salvation Army	Social Service/Food Pantry	300
2023	February	8	Milltown	Milltown Senior Center	Senior Center	60
2023	February	9	Parisippany	St. Peters Food	Food Pantry	75
2023	February	14	Camden	Safe Passage	Food Pantry	100
2023	February	16	Jersey City	St. Pauls Evangelical	Food Pantry	250
2023	February	21	New Providence	Our Lady of Peace Church	Food Pantry	75
2023	February	24	Paramus	Paramus Senior Center	Senior Center	75
2023	February	27	Parisippany	Parisippany Community Cnt	Community Resource/Food	90
2023	March	2	Trenton	Bromley Neighborhood Cnt	Community Center/Food	80
2023	March	3	Jersey City	Mt. Sinai Gospel Church	Food Pantry	250
2023	March	6	Maplewood	St. Joseph Catholic Church	Food Pantry	150
2023	March	15	Haddonfield	Grace Episcopal Church	Food Pantry	75
2023	March	20	Milltown	Milltown Senior Center	Senior Center	60
2023	March	21	Newark	Blessed Sacrament Church	Food Pantry	135
2023	March	23	Sommerdale	Park Ave Community Church	Food Pantry	50
2023	March	27	Linden	Linden Food Pantry	Food Pantry/Resource Center	200
2023	March	29	Florham	Holy Family Church	Food Pantry	50
2023	April	2	Jersey City	5K Liberty Park	Community 5K sponser	48
2023	April	3	Teaneck	Jewish Family & Children	Community Center/Food	200
2023	April	5	Burlington	Burlington Food Pantry	Food Pantry	175
2023	April	17	East Orange	New Hope Baptist	Food Pantry	250
2023	April	18	Roselle Park	Casano Community Center	Community Center/Food	80
2023	April	25	Jersey City	City Line Church	Food Pantry	85
2023	April	26	Hunterdon	Hunterdon County Senior Center	Senior Center/Food Pantry	75
2023	April	27	Trenton	J.O. Wilson Center	Community Center/Food /Child Care	120
2023	May	1	Camden	Koinonia Family Life	Community Center/Food	125
2023	May	6	Secaucus	Green Festival	Community Green Festival	165
2023	May	9	Jersey City	George Pitchford Pantry	Food Pantry	200
2023	May	12	Trenton	Princeton Deliverance	Food Pantry	200
2023	May	15	Edison	PSEG Training Facility	Training	0
2023	May	16	Jersey City	Triangle Park Community Cent.	Community Center/Food Panty	170
2023	May	17	Jersey City	The Hope Center	Food Pantry	125
2023	May	19	Jersey City	B.I.T.E.	Resource Center/Food Pantry	300
2023	May	26	Camden	Urban Promise	Community Center/Food Pantry	100
2023	June	3	North Bergen	North Bergen Health Fair	Health Fair	
2023	June	7	Mt. Holly	Christian Community Center	Community Center	
2023	June	8	Camden	The Neighborhood Center	Neighborhood Community Center	
2023	June	13	West Orange	Holy Trinity Episcopal Church	Food Pantry	
2023	June	14	Flemington	Flemington Area Food Pantry	Food Pantry	
2023	June	20	Plainfield	Crescent Ave Presbyterian	Food Pantry	
2023	June	26	Plainfield	Consituents Service Fair	Constuents Fair	
2023	June	28	Belleville	St. Peters Catholic Church	Food Pantry	
Total						18377

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE NEW JERSEY
BOARD OF PUBLIC UTILITIES
RESPONSE TO THE COVID-19 PANDEMIC**

BPU DOCKET NO. AO20060471

**IN THE MATTER OF THE PETITION OF PUBLIC
SERVICE ELECTRIC AND GAS COMPANY'S FOR
APPROVAL OF INCREMENTAL COVID-19 COSTS FOR
RECOVERY THROUGH A NEW SPECIAL-PURPOSE
CLAUSE, AND FOR AUTHORIZATION TO RECOVER
UNCOLLECTIBLE COSTS FOR GAS THROUGH THE
SOCIETAL BENEFITS CHARGE**

BPU DOCKET NO. _____

DIRECT TESTIMONY

OF

**STEPHEN SWETZ
SR. DIRECTOR – CORPORATE RATES AND
REVENUE REQUIREMENTS**

July 17, 2023

ATTACHMENT 3

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DIRECT TESTIMONY
OF
STEPHEN SWETZ
SR. DIRECTOR – CORPORATE RATES AND REVENUE REQUIREMENTS**

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5

6 **Q. Please state your name, affiliation and business address.**

7 A. My name is Stephen Swetz, and I am the Sr. Director – Corporate Rates and Revenue
8 Requirements for PSEG Services Corporation. My credentials are set forth in the attached
9 Schedule SS-COVID-1.

10 **Q. Please describe your responsibilities as the Sr. Director – Corporate Rates and**
11 **Revenue Requirements for PSEG Services Corporation.**

12 A. As Sr. Director of Corporate Rates and Revenue Requirements, I plan, develop and
13 direct Public Service Electric and Gas Company’s (“PSE&G”, the “Company”, or the
14 “Petitioner”) electric and gas retail pricing strategies, retail rate design, embedded and marginal
15 cost studies, and tariff provisions. I also direct the calculation of revenue requirements for
16 PSE&G’s base rates as well as all cost recovery clauses. Acting as a key regulatory resource
17 to PSE&G on regulatory matters, strategies and policies, I have testified in many cases and
18 negotiated settlements on rate design, cost of service, recovery clauses including renewable
19 and energy efficiency cost recovery, and base rates.

20 **Q. What is the purpose of your testimony in this proceeding?**

21 A. The purpose of this testimony is to support the method of cost recovery for all costs
22 associated with the Company’s COVID-19 incremental cost balance as well as support for the
23 carrying charge rate and cost calculation on the COVID-19 incremental cost balance. In

ATTACHMENT 3

1 addition, PSE&G is proposing a new Social Programs component of the Gas Societal Benefits
2 Charge (“SBC”) to recover the Company’s future gas bad debt expense.

3 **Q. How does the Company propose to recover all costs related to the COVID-19**
4 **deferral balance?**

5 A. In this matter, the Company requests a prudency determination for the COVID-19
6 incremental costs and associated carrying charge costs. The Company also requests that these
7 costs be recovered via a new, separate, special-purpose clause called the “Distribution
8 Adjustment Charge” or “DAC” and corresponding component called “COVID-19 Cost
9 Recovery” or “COVID-19”. This new clause and corresponding component will recover costs
10 approved for recovery by the Board. The details of this special purpose clause will be discussed
11 later in my testimony.

12 **Q. Please describe carrying charge cost calculation used on the COVID-19**
13 **incremental cost balance.**

14 A. The carrying cost is calculated on a monthly basis as indicated in the formula below.

15 Monthly Carrying Charge Costs = ((Prior Month Ending Balance + Current Month
16 Ending Balance) / 2) * Pre-Tax Cost of Capital

17 **Q. Why is it appropriate to use the pre-tax cost of capital for the interest rate in the**
18 **calculation of the monthly carrying charge on the COVID-19 incremental cost**
19 **balance?**

20 A. The incremental cost balance has been outstanding since March of 2020 and is
21 anticipated not to be fully collected until the end of 2026. Since this balance is expected to be
22 outstanding for seven years, it is appropriate to be funded with capital sources and apply the
23 pre-tax cost of capital.

ATTACHMENT 3

1 **Q. How is “pre-tax cost of capital” determined?**

2 A. “Pre-Tax Cost of Capital” is defined as PSE&G’s pre-tax overall weighted annual
3 average cost of capital (“WACC”) as determined in its latest base rate case. The Company’s
4 last approved WACC is 6.99%, or 9.02% on a pretax basis based on current tax rates. The
5 WACC is based on the return on equity, long-term debt, capital structure and customer deposits
6 approved by the Board in PSE&G’s most recently approved base rate case. See Schedule SS-
7 COVID-2. Any change in the WACC authorized by the Board in a subsequent base rate case
8 will be used to calculate the carrying charge costs in subsequent periods. Also, any change to
9 current tax rates will be reflected in the WACC in a subsequent period.

10 **Q. How long does the Company propose to calculate the carrying charge costs on the**
11 **COVID-19 incremental cost balance?**

12 A. While PSE&G ceased separately tracking COVID-19 expenses as of March 15, 2023,
13 the Company believes that it is appropriate to record WACC carrying charges on the COVID-
14 19 incremental cost balance until these incremental costs are collected via rates. Therefore,
15 the Company will continue to calculate the monthly WACC carrying charge on the COVID-
16 19 deferral balance until the COVID-19 incremental cost balance and carrying charge balance
17 is transferred to the proposed COVID-19 component of the DAC.

18 **Q. Please describe the DAC in detail.**

19 A. The proposed DAC is a non-bypassable charge that will be part of the Company’s
20 Electric and Gas tariff. Initially, the sole component of the DAC will be the COVID-19
21 component to recover the COVID-19 incremental cost balance and associated carrying
22 charges. The projected total recoverable balance as of December 31, 2023 is \$101,238

ATTACHMENT 3

1 thousand and \$148,530 thousand for electric and gas, respectively. The Company is proposing
2 to amortize these costs over a three-year period intended to start on January 1, 2024 or earlier
3 upon issuance of a Board order, corresponding to annual amortization amounts of \$33,746
4 thousand and \$49,510 thousand for electric and gas, respectively. These amounts recovered
5 can found on Schedule SS-COVID-3. The electric COVID-19 charge will be applicable to all
6 electric rate schedules on an equal dollar per kilowatt-hour basis for recovery of costs
7 associated with the electric COVID-19 Regulatory Asset. The gas COVID-19 charge will be
8 applicable to all gas rate schedules on an equal dollar per therm basis for recovery of costs
9 associated with the gas COVID-19 Regulatory Asset. The initial COVID-19 components are
10 based on their respective electric and gas COVID-19 revenue requirements from January 1,
11 2024 through December 31, 2024. The calculation of the initial electric and gas COVID-19
12 charges can be found on Schedules SS-COVID-4E and SS-COVID-4G. Proposed electric and
13 gas tariff sheets can be found in Schedule SS-COVID-7

14 **Q. When is the anticipated implementation of these charges?**

15 A. The COVID-19 charges, as proposed as part of this testimony, are intended to be
16 effective January 1, 2024 or earlier upon issuance of a Board order.

17 **Q. How is recovery anticipated for the subsequent rate periods?**

18 A. For subsequent rate periods, the COVID-19 charges will be changed on an annual basis
19 incorporating continued amortization, a true-up for actuals plus the accumulated interest
20 expense for the upcoming recovery period. The calculations of the proposed COVID-19
21 charges are shown in Schedules SS-COVID-4E and SS-COVID-4G, respectively. Since the
22 annual amortization amounts are fixed and the only variable amounts are revenue changes due

ATTACHMENT 3

1 to changes in sales and associated interest, the Company is proposing to have the annual rate
2 changes to be accomplished via compliance filings.

3 **Q. How will the Company account for any over- or under-recoveries?**

4 A. Under the Company's proposal, any over/under recovery of the actual revenue
5 requirements compared to revenues would be deferred. In calculating the monthly interest on
6 net over and under recoveries, the interest rate shall be based upon the Company's interest rate
7 obtained on its commercial paper and/or bank credit lines utilized in the preceding month. If
8 both commercial paper and bank credit lines have been utilized, the weighted average of both
9 sources of capital shall be used. In the event that neither commercial paper nor bank credit
10 lines were utilized in the preceding month, the last calculated rate will be used. The interest
11 rate shall not exceed PSE&G's overall rate of return as authorized by the Board as utilized in
12 calculating revenue requirements for the corresponding period. The interest amount charged
13 to the COVID-19 electric and gas deferred balances will be computed using the methodology
14 set forth in Schedule SS-COVID-5E and SS-COVID-5G, respectively. The calculation of
15 monthly interest shall be based on the net of tax average monthly balance, consistent with the
16 methodology set forth in Schedules SS-COVID-5E and SS-COVID-5G. Simple interest shall
17 accrue on any under and over recovered balances, and shall be included in the deferred balances
18 at the end of each reconciliation period. Near the end of the initial and each subsequent
19 recovery period, the corresponding electric and gas deferred balances would be included with
20 forecasted revenue requirements for the succeeding period for purpose of setting the revised
21 electric and gas COVID-19 charges. When the un-recovered balance approaches zero, the
22 company will change the COVID-19 charges to zero and transfer any remaining balance to the

ATTACHMENT 3

1 Company's corresponding electric or gas Energy Efficiency / Renewable Energy Component
2 of the its Societal Benefits Charge.

3 **Q. Please describe the calculation of the bill impacts for the Program.**

4 A. An estimate of rate and bill impacts of the COVID-19 charges has been prepared as
5 Schedule SS-COVID-6. The calculations of COVID-19 charges without SUT were previously
6 described in the Method of Direct Cost Recovery section above. The COVID-19 charges with
7 SUT are determined by multiplying each COVID-19 charge without SUT by one plus the
8 current SUT rate (6.625%). As a result of the proposed rate set forth in Schedule SS-COVID-
9 4E, a typical residential electric customer using 740 kWh in a summer month and 577 kWh in
10 an average month (6,920 kWh annually) would see an increase in the average monthly bill
11 from \$117.78 to \$118.32, or \$0.54 or approximately 0.46%, (based on Delivery Rates and
12 Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in
13 effect July 1, 2023 and assuming the customer receives BGS-RSCP service from PSE&G).
14 Furthermore, as a result of the proposed rate set forth in Schedule SS-COVID-4G, a residential
15 natural gas heating customer using 172 therms per month during the winter months and 87
16 average monthly therms (1,040 therms on an annual basis) would see an increase in the average
17 monthly bill from \$98.45 to \$100.09, or \$1.64 or approximately 1.67% (based on current
18 Delivery Rates and Basic Gas Supply Service [BGSS-RSG] charges in effect July 1, 2023 and
19 assuming the customer receives BGSS service from PSE&G).

20 **Q. How does the Company currently recover gas bad debt expense?**

21 A. Currently, the Company recovers gas bad debt expense in current base rates without
22 any go forward adjustments. Based upon testimony provided in the last base case, it is

ATTACHMENT 3

1 reasonable to conclude that approximately \$25 million of gas bad debt expense is included for
2 recovery in current rates.

3 **Q. How does the Company propose to recovery future gas bad debt expense?**

4 A. The Company proposes to recover future gas bad debt via a Social Programs component
5 of the Gas SBC. Currently Electric bad debt expense is collected via the Social Programs
6 component of the Electric SBC.

7 **Q. Why is the Company seeking to collect future gas bad debt expense via a Social
8 Programs Component of the Gas SBC vs gas base rates?**

9 A. The purpose of this request is to address fluctuations in bad debt expense on an ongoing
10 basis to protect both our customers and the Company. Generally, in base rate cases, the
11 Company uses the most recent three-year average bad debt expense to include in gas base rates.
12 The COVID-19 pandemic and its resultant shut-off moratorium, which started in March 2020
13 and lasted effectively until March 15, 2023, had a significant impact on bad debt expense. In
14 addition, on-going volatility in bad debt expenses is expected due the impacts of the change to
15 collections and shut-off activities as well as mandated extended Debt Payment Arrangements
16 (DPAs) as a result of the pandemic.

17 **Q. When does the Company propose to initiate the Social Programs component of
18 the Gas SBC to collect gas bad debt expense?**

19 A. During the Company's upcoming base rate case, which must be filed by January 1,
20 2024, the Company proposes to eliminate the revenue requirement related to gas bad debt
21 expense in gas base rates. Corresponding, the Company would initiate collection of bad debt

ATTACHMENT 3

1 expense via the Social Program component of the Gas SBC based upon the latest forecast of

2 bad debt expense when new gas base rates become effective.

3 **Q. Does this conclude your testimony?**

4 **A.** Yes, it does.

ATTACHMENT 3

SCHEDULE INDEX

Schedule SS-COVID-1	Credentials
Schedule SS-COVID-2	Weighted Average Cost of Capital (WACC)
Schedule SS-COVID 3	Carrying Charge Calculation
Schedule SS-COVID 4E	Electric Rate Calculation
Schedule SS-COVID 4G.....	Gas Rate Calculation
Schedule SS-COVID 5E	Electric (Over)/Under Calculation
Schedule SS-COVID 5G.....	Gas (Over)/Under Calculation
Schedule SS-COVID 6	Bill Impact Calculations
Schedule SS-COVID 7	Proposed Electric and Gas Tariff Sheets

ELECTRONIC WORKPAPER INDEX

WP-SS-COVID-1.xlsx

CREDENTIALS
OF
STEPHEN SWETZ
SR. DIRECTOR-CORPORATE RATES AND REVENUE REQUIREMENTS

My name is Stephen Swetz and I am employed by PSEG Services Corporation. I am the Sr. Director - Corporate Rates and Revenue Requirements where my main responsibility is to contribute to the development and implementation of electric and gas rates for Public Service Electric and Gas Company (PSE&G, the Company).

WORK EXPERIENCE

I have over 30 years of experience in Rates, Financial Analysis and Operations for three Fortune 500 companies. Since 1991, I have worked in various positions within PSEG. I have spent most of my career contributing to the development and implementation of PSE&G electric and gas rates, revenue requirements, pricing and corporate planning with over 20 years of direct experience in Northeastern retail and wholesale electric and gas markets.

As Sr. Director of the Corporate Rates and Revenue Requirements department, I have submitted pre-filed direct cost recovery testimony as well as oral testimony to the New Jersey Board of Public Utilities and the New Jersey Office of Administrative Law for base rate cases, as well as a number of clauses including infrastructure investments, renewable energy, and energy efficiency programs. A list of my prior testimonies can be found on pages 3 and 4 of this document. I have also

1 contributed to other filings including unbundling electric rates and Off-Tariff Rate
2 Agreements. I have had a leadership role in various economic analyses, asset valuations,
3 rate design, pricing efforts and cost of service studies.

4 I am an active member of the American Gas Association's Rate and Strategic
5 Issues Committee, the Edison Electric Institute's Rates and Regulatory Affairs Committee
6 and the New Jersey Utility Association (NJUA) Finance and Regulatory Committee.

7 **EDUCATIONAL BACKGROUND**

8 I hold a B.S. in Mechanical Engineering from Worcester Polytechnic
9 Institute and an MBA from Fairleigh Dickinson University.

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER23070423 & GR23070424	written	Jul-23	Green Programs Recovery Charge (GPRC)-Including CA, EEE, EEE Ext, S4A, SLII, S4AE, SLIII, EEE Ext 2, S4AEII, EE2017, and CEF-EE
Public Service Electric & Gas Company	E	ER - ER23060412	written	Jul-23	SPRC 2023
Public Service Electric & Gas Company	G	GR23060330	written	Jun-23	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G		written	Jun-23	Conservation Incentive Program (GCIP)
Public Service Electric & Gas Company	E	ER23050273	written	May-23	Energy Strong II Program (Energy Strong II) - Fourth Roll-In
Public Service Electric & Gas Company	G	GR23030102	written	Mar-23	Gas System Modernization Program III (GSMPIII)
Public Service Electric & Gas Company	E	ER23020061	written	Feb-23	Electric Conservation Incentive Program (ECIP)
Public Service Electric & Gas Company	E/G	GR23010050	written	Jan-23	Remediation Adjustment Charge-RAC 30
Public Service Electric & Gas Company	E/G	GR23010009 and ER23010010	written	Jan-23	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	G	GR22120749	written	Dec-22	Gas System Modernization Program II (GSMPII) - Eighth Roll-In
Public Service Electric & Gas Company	E/G	ER22110669 & GR22110670	written	Nov-22	Energy Strong II Program (Energy Strong II) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER22100667 & GR22100668	written	Oct-22	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	EO18101113 & GO18101112	written	Sep-22	Clean Energy Future - Energy Efficiency Extension Program
Public Service Electric & Gas Company	E/G	ER22070413 & GR22070414	written	Jul-22	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4AI, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER22060408	written	Jul-22	SPRC 2022
Public Service Electric & Gas Company	G	GR22060409	written	Jun-22	Gas System Modernization Program II (GSMPII) - Seventh Roll-In
Public Service Electric & Gas Company	G	GR22060367	written	Jun-22	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR22060362	written	Jun-22	Conservation Incentive Program (GCIP)
Public Service Electric & Gas Company	E/G	GR22030152	written	Mar-22	Remediation Adjustment Charge-RAC 29
Public Service Electric & Gas Company	E	ER22020035	written	Feb-22	Electric Conservation Incentive Program (ECIP)
Public Service Electric & Gas Company	G	GR21121256	written	Dec-21	Gas System Modernization Program II (GSMPII) - Sixth Roll-In
Public Service Electric & Gas Company	E	ER21121242	written	Dec-21	Solar Successor Incentive Program (SuSI)
Public Service Electric & Gas Company	E/G	EO21111211 & GO21111212	written	Nov-21	Infrastructure Advancement Program (IAP)
Public Service Electric & Gas Company	E/G	ER21111209 & GR21111210	written	Nov-21	Energy Strong II Program (Energy Strong II) - Second Roll-In
Public Service Electric & Gas Company	E/G	ER21101201 & GR21101202	written	Oct-21	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER21070965 & GR21070966	written	Jul-21	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4AI, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	ER21060952	written	Jun-21	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR21060949	written	Jun-21	Gas System Modernization Program II (GSMPII) - Fifth Roll-In
Public Service Electric & Gas Company	E	ER21060948	written	Jun-21	SPRC 2021
PSEG New Haven LLC	PSEG New Haven LLC	21-06-40	written	Jun-21	PSEG 2022 AFRR
Public Service Electric & Gas Company	G	GR21060882	written	Jun-21	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER21050859	written	May-21	Community Solar Cost Recovery
Public Service Electric & Gas Company	G	GR20120771	written	Dec-20	Gas System Modernization Program II (GSMPII) - Forth Roll-In
Public Service Electric & Gas Company	E/G	GR20120763	written	Dec-20	Remediation Adjustment Charge-RAC 28
Public Service Electric & Gas Company	E	ER20120736	written	Nov-20	Energy Strong II Program (Energy Strong II) - First Roll-In
Public Service Electric & Gas Company	E/G	ER20100685 & GR20100686	written	Oct-20	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E	ER20100658	written	Oct-20	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER20060467 & GR20060468	written	Jun-20	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4AI, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR20060464	written	Jun-20	Gas System Modernization Program II (GSMPII) - Third Roll-In
Public Service Electric & Gas Company	E	ER20060454	written	Jun-20	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR20060470	written	Jun-20	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR20060384	written	Jun-20	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER20040324	written	Apr-20	Transitional Renewable Energy Certificate Program (TREC)
Public Service Electric & Gas Company	E/G	GR20010073	written	Jan-20	Remediation Adjustment Charge-RAC 27
Public Service Electric & Gas Company	G	GR19120002	written	Dec-19	Gas System Modernization Program II (GSMPII) - Second Roll-In
Public Service Electric & Gas Company	E/G	ER19091302 & GR19091303	written	Aug-19	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER19070850	written	Jul-19	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER19060764 & GR19060765	written	Jun-19	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4AI, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR19060766	written	Jun-19	Gas System Modernization Program II (GSMPII) - First Roll-In
Public Service Electric & Gas Company	G	GR19060761	written	Jun-19	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E	ER19060741	written	Jun-19	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 & GO18060630	oral	Jun-19	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR19060698	written	May-19	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER19040523	written	May-19	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18101113 & GO18101112	oral	May-19	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E	ER19040530	written	Apr-19	Madison 4kV Substation Project (Madison & Marshall)
Public Service Electric & Gas Company	E/G	EO18101113 & GO18101112	written	Dec-18	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E/G	GR18121258	written	Nov-18	Remediation Adjustment Charge-RAC 26
Public Service Electric & Gas Company	E	EO18101115	written	Oct-18	Clean Energy Future - Energy Cloud Program (EC)
Public Service Electric & Gas Company	E	EO18101111	written	Oct-18	Clean Energy Future-Electric Vehicle And Energy Storage Programs (EVES)
Public Service Electric & Gas Company	G	GR18070831	written	Jul-18	Gas System Modernization Program (GSMP) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER18070688 & GR18070689	written	Jun-18	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4AI, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER18060681	written	Jun-18	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR18060675	written	Jun-18	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 & GO18060630	written	Jun-18	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR18060605	written	Jun-18	Margin Adjustment Charge (MAC) / Cost Recovery

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER18040358 & GR18040359	written	Mar-18	Energy Strong / Revenue Requirements & Rate Design - Eighth Roll-in
Public Service Electric & Gas Company	E/G	ER18030231	written	Mar-18	Tax Cuts and Job Acts of 2017
Public Service Electric & Gas Company	E/G	GR18020093	written	Feb-18	Remediation Adjustment Charge-RAC 25
Public Service Electric & Gas Company	E/G	ER18010029 & GR18010030	written	Jan-18	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER17101027	written	Sep-17	Energy Strong / Revenue Requirements & Rate Design - Seventh Roll-in
Public Service Electric & Gas Company	G	GR17070776	written	Jul-17	Gas System Modernization Program II (GSMP II)
Public Service Electric & Gas Company	G	GR17070775	written	Jul-17	Gas System Modernization Program (GSMP) - Second Roll-In
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 & GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jun-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 & GR17030325	written	Mar-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Mar-17	Energy Efficiency 2017 Program
Public Service Electric & Gas Company	E/G	ER17020136	written	Feb-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR16111064	written	Nov-16	Remediation Adjustment Charge-RAC 24
Public Service Electric & Gas Company	E	ER16090918	written	Sep-16	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16080785	written	Aug-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Jul-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Jul-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER16070613 & GR16070614	written	Jul-16	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER16070616	written	Jul-16	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jun-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	May-16	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 & GR16030273	written	Mar-16	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	Nov-15	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Sep-15	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757 & GR15070758	written	Jul-15	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Jul-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jun-15	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15050558	written	May-15	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER15050558	written	May-15	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15030389 & GR15030390	written	Mar-15	Energy Strong / Revenue Requirements & Rate Design - Second Roll-in
Public Service Electric & Gas Company	G	GR15030272	written	Feb-15	Gas System Modernization Program (GSMP)
Public Service Electric & Gas Company	E/G	GR14121411	written	Dec-14	Remediation Adjustment Charge-RAC 22
Public Service Electric & Gas Company	E/G	ER14091074	written	Sep-14	Energy Strong / Revenue Requirements & Rate Design - First Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Aug-14	EEE Ext II
Public Service Electric & Gas Company	G	ER14070656	written	Jul-14	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER14070651 & GR14070652	written	Jul-14	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21
Public Service Electric & Gas Company	E/G	ER13070603 & GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155 & GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606 & GR12070605	written	Jul-12	RGGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (EEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Aug-08	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

**PSE&G COVID-19 Cost Recovery
Weighted Average Cost of Capital (WACC)**

**Attachment 3
Schedule SS-COVID-2**

	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Revenue Conversion Factor</u>	<u>Pre-Tax Weighted Cost</u>	<u>Discount Rate</u>
Other Capital	45.53%	3.96%	1.80%	1.0000	1.80%	
Customer Deposits	0.47%	0.87%	0.00%	1.0000	0.00%	
Sub-total	46.00%		1.81%		1.81%	1.30%
Common Equity	54.00%	9.60%	5.18%	1.3910	7.21%	5.18%
Total	100.00%		6.99%		9.02%	6.48%
Monthly WACC			0.5825%		0.7514%	

Reflects a tax rate of 28.11%

PSE&G COVID-19 Cost Recovery
Incremental Cost & Carrying Charge Balance
(\$000)

Attachment 3

Schedule SS-COVID-3

Pre-Tax WACC: 9.0162%

Month	<u>Electric</u>			<u>Gas</u>			<u>Monthly Carrying Charge</u>
	<u>Incremental Cost Balance</u>	<u>Carrying Charge</u>	<u>Carrying Charge Balance</u>	<u>Incremental Cost Balance</u>	<u>Carrying Charge</u>	<u>Carrying Charge Balance</u>	
Mar-23	86,078		12,249	123,696		20,652	
Apr-23	86,078	323	12,573	123,696	465	21,117	0.7514%
Apr-23	86,078	323	12,896	123,696	465	21,582	0.7514%
Jun-23	86,078	323	13,219	123,696	465	22,046	0.7514%
Jul-23	86,078	323	13,543	123,696	465	22,511	0.7514%
Aug-23	86,078	323	13,866	123,696	465	22,976	0.7514%
Sep-23	86,078	323	14,189	123,696	465	23,440	0.7514%
Oct-23	86,078	323	14,513	123,696	465	23,905	0.7514%
Nov-23	86,078	323	14,836	123,696	465	24,370	0.7514%
Dec-23	86,078	323	15,160	123,696	465	24,835	0.7514%
Incremental Cost & Carrying Charge Balance			101,238			148,530	

PSE&G COVID-19 Cost Recovery
Calculation of Cost Recovery - Electric
 (\$000)

ELECTRIC

In #	PERIOD	COVID-19
1 BEGINNING OVER/(UNDER) BALANCE INCLUDING INTEREST	12/31/23	(\$101,238) Schedule SS-COVID-3
2 TOTAL TO BE COLLECTED/(RETURNED) TO CUSTOMERS	01/01/24 - 12/31/24	33,746 = In 1 / 3
3 KWH OUTPUT (000s) (01/01/24 - 12/31/24)	01/01/24 - 12/31/24	38,554,397 Input
4 REVISED RATE PER KWH		\$0.000875 = (In 2 / In 3) Rnd 6
5 REVISED RATE PER KWH (INCL SUT)		\$0.000933 = In 4 * (1 + 6.625%) Rnd 6
6 CURRENT RATE PER KWH		0.000000 Input
7 DIFFERENCE		0.000875 = In 4 - In 6
REVENUE IMPACT (01/01/24 - 12/31/24)		\$33,735 = In 7 x In 3

**PSE&G COVID-19 Cost Recovery
Calculation of Cost Recovery - Gas
(\$000)**

Gas

In #

	<u>Period</u>	<u>COVID-19</u>
1 BEGINNING OVER/(UNDER) BALANCE INCLUDING INTEREST	12/31/2023	(\$148,530) Schedule SS-COVID-3
2 BALANCE TO BE COLLECTED/(RETURNED) TO CUSTOMERS	01/01/24 - 12/31/24	\$49,510 = In 1 / 3
3 THERM SALES (000s) (01/01/24 - 12/31/24)	01/01/24 - 12/31/24	2,780,080 Input
4 REVISED RATE PER THERM (EXCL SUT)		\$0.017809 = (In 2 / In 3) Rnd 6
5 REVISED RATE PER THERM (INCL SUT)		\$0.018989 = In 4 * (1 + 6.625%) Rnd 6
6 CURRENT RATE PER THERM (EXCL SUT)		0.000000 Input
7 DIFFERENCE		0.017809 = In 4 - In 6
REVENUE IMPACT (01/01/24 - 12/31/24)		\$49,510 = In 7 x In 3

PSE&G COVID-19 Cost Recovery

ELECTRIC

	estimate	estimate	estimate	estimate	estimate
COVID-19	Jan-24	Feb-24	Mar-24	Apr-24	May-24
BEGINNING BALANCE	\$101,238,034	\$98,325,493	\$95,697,854	\$92,993,001	\$90,642,084
REVENUES RECOVERY	(\$2,912,540)	(\$2,627,639)	(\$2,704,854)	(\$2,350,916)	(\$2,513,930)
OVER/(UNDER) COLLECTED	(\$2,912,540)	(\$2,627,639)	(\$2,704,854)	(\$2,350,916)	(\$2,513,930)
ACCUMULATED BALANCE	\$98,325,493	\$95,697,854	\$92,993,001	\$90,642,084	\$88,128,154
INTEREST CALCULATION:					
PRIOR BALANCE	\$101,238,034	\$98,325,493	\$95,697,854	\$92,993,001	\$90,642,084
CURRENT BALANCE	\$98,325,493	\$95,697,854	\$92,993,001	\$90,642,084	\$88,128,154
(PRIOR BAL + CURRENT BAL)/2	\$99,781,764	\$97,011,674	\$94,345,427	\$91,817,543	\$89,385,119
INTEREST	\$313,832	\$305,120	\$296,734	\$288,783	\$281,133
INTEREST RATE	5.25%	5.25%	5.25%	5.25%	5.25%
CUMULATIVE INTEREST	\$0	\$305,120	\$601,854	\$890,637	\$1,171,770

PSE&G COVID-19 Cost Recovery

ELECTRIC

	estimate	estimate	estimate	estimate	estimate
COVID-19	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
BEGINNING BALANCE	\$88,128,154	\$85,195,117	\$81,611,074	\$78,123,065	\$75,378,271
REVENUES RECOVERY	(\$2,933,037)	(\$3,584,043)	(\$3,488,010)	(\$2,744,794)	(\$2,602,975)
OVER/(UNDER) COLLECTED	(\$2,933,037)	(\$3,584,043)	(\$3,488,010)	(\$2,744,794)	(\$2,602,975)
ACCUMULATED BALANCE	\$85,195,117	\$81,611,074	\$78,123,065	\$75,378,271	\$72,775,296
INTEREST CALCULATION:					
PRIOR BALANCE	\$88,128,154	\$85,195,117	\$81,611,074	\$78,123,065	\$75,378,271
CURRENT BALANCE	\$85,195,117	\$81,611,074	\$78,123,065	\$75,378,271	\$72,775,296
(PRIOR BAL + CURRENT BAL)/2	\$86,661,636	\$83,403,096	\$79,867,069	\$76,750,668	\$74,076,784
INTEREST	\$272,567	\$262,318	\$251,197	\$241,395	\$232,985
INTEREST RATE	5.25%	5.25%	5.25%	5.25%	5.25%
CUMULATIVE INTEREST	\$1,444,337	\$1,706,656	\$1,957,853	\$2,199,248	\$2,432,233

PSE&G COVID-19 Cost Recovery

ELECTRIC

	estimate Nov-24	estimate Dec-24
COVID-19		
BEGINNING BALANCE	\$72,775,296	\$70,289,113
REVENUES RECOVERY	(\$2,486,184)	(\$2,786,176)
OVER/(UNDER) COLLECTED	(\$2,486,184)	(\$2,786,176)
ACCUMULATED BALANCE	\$70,289,113	\$67,502,936
INTEREST CALCULATION:		
PRIOR BALANCE	\$72,775,296	\$70,289,113
CURRENT BALANCE	\$70,289,113	\$67,502,936
(PRIOR BAL + CURRENT BAL)/2	\$71,532,204	\$68,896,025
INTEREST	\$224,982	\$216,691
INTEREST RATE	5.25%	5.25%
CUMULATIVE INTEREST	\$2,657,215	\$2,873,906

PSE&G COVID-19 Cost Recovery

GAS

	estimate	estimate	estimate	estimate	estimate
COVID-19	Jan-24	Feb-24	Mar-24	Apr-24	May-24
BEGINNING BALANCE	\$148,530,352	\$139,850,803	\$131,933,174	\$125,371,563	\$121,579,382
REVENUES RECOVERY	(\$8,679,549)	(\$7,917,628)	(\$6,561,611)	(\$3,792,181)	(\$2,339,472)
OVER/(UNDER) COLLECTED	(\$8,679,549)	(\$7,917,628)	(\$6,561,611)	(\$3,792,181)	(\$2,339,472)
ACCUMULATED BALANCE	\$139,850,803	\$131,933,174	\$125,371,563	\$121,579,382	\$119,239,910
INTEREST CALCULATION					
PRIOR BALANCE	\$148,530,352	\$139,850,803	\$131,933,174	\$125,371,563	\$121,579,382
CURRENT BALANCE	\$139,850,803	\$131,933,174	\$125,371,563	\$121,579,382	\$119,239,910
(PRIOR BAL + CURRENT BAL)/2	\$144,190,577	\$135,891,989	\$128,652,369	\$123,475,473	\$120,409,646
INTEREST	\$453,506	\$427,406	\$404,636	\$388,354	\$378,711
INTEREST RATE	5.25%	5.25%	5.25%	5.25%	5.25%
CUMULATIVE INTEREST	\$0	\$427,406	\$832,042	\$1,220,395	\$1,599,106

PSE&G COVID-19 Cost Recovery

GAS

	estimate	estimate	estimate	estimate	estimate
COVID-19	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
BEGINNING BALANCE	\$119,239,910	\$117,792,128	\$116,453,105	\$115,252,154	\$117,011,412
REVENUES RECOVERY	(\$1,447,783)	(\$1,339,023)	(\$1,200,951)	(\$1,305,790)	(\$2,534,388)
OVER/(UNDER) COLLECTED	(\$1,447,783)	(\$1,339,023)	(\$1,200,951)	(\$1,305,790)	(\$2,534,388)
ACCUMULATED BALANCE	\$117,792,128	\$116,453,105	\$115,252,154	\$113,946,364	\$114,477,024
INTEREST CALCULATION					
PRIOR BALANCE	\$119,239,910	\$117,792,128	\$116,453,105	\$115,252,154	\$117,011,412
CURRENT BALANCE	\$117,792,128	\$116,453,105	\$115,252,154	\$113,946,364	\$114,477,024
(PRIOR BAL + CURRENT BAL)/2	\$118,516,019	\$117,122,616	\$115,852,629	\$114,599,259	\$115,744,218
INTEREST	\$372,755	\$368,373	\$364,378	\$360,436	\$364,037
INTEREST RATE	5.25%	5.25%	5.25%	5.25%	5.25%
CUMULATIVE INTEREST	\$1,971,861	\$2,340,234	\$2,704,612	\$3,065,048	\$3,429,085

PSE&G COVID-19 Cost Recovery

GAS

	estimate	estimate
COVID-19	Nov-24	Dec-24
BEGINNING BALANCE	\$114,477,024	\$109,481,562
REVENUES RECOVERY	(\$4,995,462)	(\$7,396,610)
OVER/(UNDER) COLLECTED	(\$4,995,462)	(\$7,396,610)
ACCUMULATED BALANCE	\$109,481,562	\$102,084,952
INTEREST CALCULATION		
PRIOR BALANCE	\$114,477,024	\$109,481,562
CURRENT BALANCE	\$109,481,562	\$102,084,952
(PRIOR BAL + CURRENT BAL)/2	\$111,979,293	\$105,783,257
INTEREST	\$352,196	\$332,708
INTEREST RATE	5.25%	5.25%
CUMULATIVE INTEREST	\$3,781,281	\$4,113,989

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed changes in the Distribution Adjustment Charge (DAC) on typical residential Electric bills, if approved by the Board, is illustrated below:

Residential Electric Service - Average Monthly Bill				
If Your Average Monthly kWhr Use Is:	Then Your Present Monthly Bill (1) Would Be:	And Your Proposed Monthly Bill (2) Would Be:	Your Monthly Bill Change Would Be:	And Your Percent Change Would Be:
144	\$33.04	\$33.17	\$0.13	0.39 %
289	61.12	61.39	0.27	0.44
577	117.78	118.32	0.54	0.46
650	132.26	132.86	0.60	0.45
1,042	211.01	211.98	0.97	0.46

(1) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect July 1, 2023, and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes increase in the DAC.

Residential Electric Service - Monthly Summer Bill				
If Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
185	\$41.83	\$42.00	\$0.17	0.41 %
370	78.72	79.07	0.35	0.44
740	154.41	155.10	0.69	0.45
803	167.83	168.58	0.75	0.45
1,337	281.67	282.92	1.25	0.44

(3) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect July 1, 2023, and assumes that the customer receives BGS-RSCP service from Public Service.

(4) Same as (3) except includes increase in the DAC.

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the Distribution Adjustment Charge (DAC) on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service - Average Monthly Bill				
If Your Average Monthly Therm Use Is:	Then Your Present Monthly Bill (1) Would Be:	And Your Proposed Monthly Bill (2) Would Be:	Your Monthly Bill Change Would Be:	And Your Percent Change Would Be:
14	\$23.07	\$23.34	\$0.27	1.17 %
28	37.52	38.06	0.54	1.44
51	61.31	62.27	0.96	1.57
87	98.45	100.09	1.64	1.67
100	112.31	114.21	1.90	1.69
151	165.42	168.30	2.88	1.74

- (1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect July 1, 2023, and assumes that the customer receives commodity service from Public Service.
 (2) Same as (1) except includes increase in the DAC.

Residential Gas Service - Monthly Winter Bill				
If Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
25	\$34.65	\$35.12	\$0.47	1.36 %
50	60.71	61.66	0.95	1.56
100	113.92	115.82	1.90	1.67
172	189.76	193.03	3.27	1.72
201	220.38	224.20	3.82	1.73
300	324.50	330.20	5.70	1.76

- (3) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect July 1, 2023, and assumes that the customer receives commodity service from Public Service.
 (4) Same as (3) except includes increase in the DAC.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 2

B.P.U.N.J. No. 16 ELECTRIC

Superseding

XXX Revised Sheet No. 2

TABLE OF CONTENTS

Title Page Sheet No. 1
Table of Contents Sheet Nos. 2 and 3
Territory Served Sheet Nos. 4 to 7, inclusive
Standard Terms and Conditions Sheet Nos. 8 to 42, inclusive
Regulation for Residential Underground Extensions Sheet Nos. 48 to 52, inclusive
Societal Benefits Charge..... Sheet Nos. 57 to 58, inclusive
Non-utility Generation Charge Sheet No. 60
Zero Emission Certificate Recovery Charge..... Sheet No. 61
Solar Pilot Recovery Charge..... Sheet No. 64
Green Programs Recovery Charge Sheet No. 65
Conservation Incentive Program..... Sheet Nos. 66 to- 66D, inclusive
Distribution Adjustment Charge Sheet No. 67
Tax Adjustment Credit..... Sheet No. 69
Infrastructure Improvement Program Charges Sheet Nos. 70 to 72, inclusive
Commercial and Industrial Energy Pricing (CIEP) Standby Fee Sheet No. 73
Basic Generation Service
 • Residential Small Commercial Pricing Electric Supply Charges
 ○ BGS Energy & Capacity Charges Sheet No. 75
 ○ BGS Transmission and Energy Charges Sheet No. 76
 ○ BGS Capacity Charges and Transmission Charges..... Sheet No. 79
 ○ BGS Reconciliation Charges Sheet No. 81
 • Commercial And Industrial Energy Pricing Electric Supply Charges
 ○ BGS Energy Charges, Capacity Charges and
 Transmission Charges Sheet Nos. 82 and 83
 ○ BGS Reconciliation Charges Sheet No. 84
Third Party Supplier Sheet No. 87

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. 67

Superseding

B.P.U.N.J. No. 16 ELECTRIC

Original Sheet No. 67

DISTRIBUTION ADJUSTMENT CHARGE

Charge
(per kilowatthour)

Component:

COVID-19 Cost Recovery..... \$0.000875

Charge including New Jersey Sales and Use Tax (SUT)..... \$0.000933

DISTRIBUTION ADJUSTMENT CHARGE

This non-bypassable charge is designed to recover Board-approved costs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

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Effective:

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80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC

Original Sheet No. 68

RESERVED FOR FUTURE USE

Date of Issue: October 30, 2018

Effective: November 1, 2018

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated October 29, 2018
in Docket Nos. ER18010029, GR18010030, AX18010001 and ER18030231

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 2

B.P.U.N.J. No. 16 ELECTRIC

**Superseding
XXX Revised Sheet No. 2**

TABLE OF CONTENTS

Title Page	Sheet No. 1
Table of Contents	Sheet Nos. 2 and 3
Territory Served	Sheet Nos. 4 to 7, inclusive
Standard Terms and Conditions	Sheet Nos. 8 to 42, inclusive
Regulation for Residential Underground Extensions	Sheet Nos. 48 to 52, inclusive
Societal Benefits Charge.....	Sheet Nos. 57 to 58, inclusive
Non-utility Generation Charge	Sheet No. 60
Zero Emission Certificate Recovery Charge.....	Sheet No. 61
Solar Pilot Recovery Charge.....	Sheet No. 64
Green Programs Recovery Charge	Sheet No. 65
Conservation Incentive Program.....	Sheet Nos. 66 to 66D, inclusive
Distribution Adjustment Charge	Sheet No. 67
Tax Adjustment Credit.....	Sheet No. 69
Infrastructure Improvement Program Charges	Sheet Nos. 70 to 72, inclusive
Commercial and Industrial Energy Pricing (CIEP) Standby Fee	Sheet No. 73
Basic Generation Service	
• Residential Small Commercial Pricing Electric Supply Charges	
○ BGS Energy & Capacity Charges	Sheet No. 75
○ BGS Transmission and Energy Charges	Sheet No. 76
○ BGS Capacity Charges and Transmission Charges.....	Sheet No. 79
○ BGS Reconciliation Charges	Sheet No. 81
• Commercial And Industrial Energy Pricing Electric Supply Charges	
○ BGS Energy Charges, Capacity Charges and Transmission Charges	Sheet Nos. 82 and 83
○ BGS Reconciliation Charges	Sheet No. 84
Third Party Supplier	Sheet No. 87

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XXX Revised Sheet No. 67

B.P.U.N.J. No. 16 ELECTRIC

**Superseding
Original Sheet No. 67**

DISTRIBUTION ADJUSTMENT CHARGE

	Charge (per kilowatthour)
Component:	
COVID-19 Cost Recovery	\$0.000875
Charge including New Jersey Sales and Use Tax (SUT)	<u>\$0.000933</u>

DISTRIBUTION ADJUSTMENT CHARGE

This non-bypassable charge is designed to recover Board-approved costs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**XXX Revised Sheet No. 2
Superseding
XXX Revised Sheet No. 2**

B.P.U.N.J. No. 16 GAS

TABLE OF CONTENTS

Title Page	Sheet No. 1
Table of Contents	Sheet No. 2
Territory Served	Sheet Nos. 3 to 6, inclusive
Standard Terms and Conditions	Sheet Nos. 7 to 36, inclusive
Societal Benefits Charge.....	Sheet Nos. 41 and 42
Margin Adjustment Charge	Sheet No. 43
Green Programs Recovery Charge	Sheet No. 44
Weather Normalization Charge.....	Sheet Nos. 45 to 47, inclusive
Conservation Incentive Program.....	Sheet Nos. 48 to 48C, <u>inclusive</u>
<u>Distribution Adjustment Charge</u>	<u>Sheet No. 49</u>
Tax Adjustment Credit.....	Sheet No. 51
Basic Gas Supply Service	
Commodity Charges Applicable to Rate Schedule RSG.....	Sheet No. 54
Commodity Charges Applicable to Rate Schedules GSG, LVG, SLG and CSG	Sheet No. 55
Commodity Charge Applicable to Rate Schedules TSG-NF and CSG	Sheet No. 56
Commodity Charge Applicable to Rate Schedule CIG	Sheet No. 57
Emergency Sales Service Charge Applicable to Rate Schedules RSG, GSG, LVG, SLG, TSG-F, TSG-NF and CSG.....	Sheet No. 58
Commodity Charge Applicable to Rate Schedule RSG Off-Peak Use	Sheet No. 59
Infrastructure Improvement Program Charges	Sheet Nos. 60 and 61

Delivery Rate Schedules as listed below:

	Rate Schedule	Sheet Nos.
Residential Service	RSG	65-69
General Service	GSG	72-77
Large Volume Service.....	LVG	79-84
Street Lighting Service.....	SLG	87-90
Firm Transportation Gas Service	TSG-F	93-96
Non-Firm Transportation Gas Service	TSG-NF	99-103
Cogeneration Interruptible Service	CIG	107-111
Contract Service.....	CSG	112-112F
Third Party Supplier Requirements.....		114-123

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 49

B.P.U.N.J. No. 16 GAS

**Superseding
Original Sheet No. 49**

DISTRIBUTION ADJUSTMENT CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

**Charge
(per kilowatthour)**

Component:

COVID-19 Cost Recovery.....\$0.017809

Charge including New Jersey Sales and Use Tax (SUT).....\$0.018989

Distribution Adjustment Charge

This non-bypassable charge is designed to recover Board-approved costs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS

Original Sheet No. 50

RESERVED FOR FUTURE USE

Date of Issue: October 30, 2018

Effective: November 1, 2018

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated October 29, 2018
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**XXX Revised Sheet No. 2
Superseding
XXX Revised Sheet No. 2**

B.P.U.N.J. No. 16 GAS

TABLE OF CONTENTS

Title Page	Sheet No. 1
Table of Contents	Sheet No. 2
Territory Served	Sheet Nos. 3 to 6, inclusive
Standard Terms and Conditions	Sheet Nos. 7 to 36, inclusive
Societal Benefits Charge.....	Sheet Nos. 41 and 42
Margin Adjustment Charge	Sheet No. 43
Green Programs Recovery Charge	Sheet No. 44
Weather Normalization Charge.....	Sheet Nos. 45 to 47, inclusive
Conservation Incentive Program.....	Sheet Nos. 48 to 48C, inclusive
Distribution Adjustment Charge	Sheet No. 49
Tax Adjustment Credit.....	Sheet No. 51
Basic Gas Supply Service	
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Commodity Charge Applicable to Rate Schedule CIG	Sheet No. 57
Emergency Sales Service Charge Applicable to Rate Schedules	
RSG, GSG, LVG, SLG, TSG-F, TSG-NF and CSG.....	Sheet No. 58
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Delivery Rate Schedules as listed below:

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Cogeneration Interruptible Service	CIG	107-111
Contract Service.....	CSG	112-112F
Third Party Supplier Requirements.....		114-123

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**XXX Revised Sheet No. 49
Superseding
Original Sheet No. 49**

B.P.U.N.J. No. 16 GAS

DISTRIBUTION ADJUSTMENT CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

**Charge
(per kilowatthour)**

Component:

COVID-19 Cost Recovery \$0.017809

Charge including New Jersey Sales and Use Tax (SUT)..... \$0.018989

Distribution Adjustment Charge

This non-bypassable charge is designed to recover Board-approved costs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS

Original Sheet No. 50

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80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated October 29, 2018
in Docket Nos. ER18010029, GR18010030, AX18010001 and ER18030231

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY'S FOR APPROVAL OF INCREMENTAL COVID-19 COSTS FOR RECOVERY THROUGH A NEW SPECIAL-PURPOSE CLAUSE, AND FOR AUTHORIZATION TO RECOVER UNCOLLECTIBLE COSTS FOR GAS THROUGH THE SOCIETAL BENEFITS CHARGE

Notice of Filing and Notice of Public Hearings

BPU Docket No. XXXXXXXXXX

TAKE NOTICE that, Public Service Electric and Gas Company ("PSE&G," or "Company") filed a Petition with the New Jersey Board of Public Utilities ("Board" or "BPU") in July 2023 requesting approval to recover costs associated with the Company's COVID-19 incremental cost balance as well as support for the carrying charge rate and cost calculation on the COVID-19 incremental cost balance. The Petition also requests approval of future gas bad debt costs through a new component of the Company's gas Societal Benefits Charge.

The incremental cost balance has been outstanding since March 2020 and is anticipated not to be fully collected until 2027 or later. Since this balance is expected to be outstanding for eight years or more, it is appropriate to be funded with capital sources and apply the pre-tax cost of capital.

The Company proposes to recover all COVID-19 incremental costs through a new, separate non-bypassable Distribution Adjustment Clause (DAC). The DAC will be applicable to all electric and gas rate schedules and would be reviewed and possibly modified in future annual filing(s).

PSE&G is requesting that any over/under recovery of actual revenue requirements compared to revenues be deferred. In calculating the monthly interest on net over and under recoveries, the interest rate would be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month. The proposed electric and gas DAC, if approved by the Board, is shown in Table #1.

The approximate effects of the proposed increase on typical electric and gas residential monthly bills, if approved by the Board, are illustrated in Tables #2 and #3.

Under the Company's proposal, a typical residential electric customer using 740 kWh in a summer month and 577 kWh in an average month (6,920 kWh annually) would see an increase in the average monthly bill from \$117.78 to \$118.32, or \$0.54 or approximately 0.46%. A residential gas heating customer using 172 therms per month during the winter

months and 87 average monthly therms (1,040 therms on an annual basis) would see an increase in the average monthly bill from \$98.45 to \$100.09, or \$1.64 or approximately 1.67%.

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 Petition 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.

A copy of this Notice of Filing and Public Hearings on the Petition is being served upon the clerk, executive or administrator of each municipality and county within the Company's service territory. The Petition is available for review online at the PSEG website at <http://www.pseg.com/pseandgfilings> and has also been sent to the New Jersey Division of Rate Counsel ("Rate Counsel"), who will represent the interests of all PSE&G customers in this proceeding. The Petition is also available to review online through the Board's website, <https://publicaccess.bpu.state.nj.us>, where you can search by the above-captioned docket number- XXXXXXXXXX. The Petition and Board file may also be reviewed at the Board located at 44 South Clinton Avenue, 1st Floor, Trenton, NJ, with an appointment. To make an appointment, please call (609) 913-6298.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 Pandemic, virtual public hearings are scheduled on the following date and times so that members of the public may present their views on the Petition:

DATE: tbd

TIMES: tbd

Join: Join Zoom Meeting
<https://pseg.zoom.us/j/92846158128?pwd=czBtZHE5ZTh1Z1FveGlmSVq0R1NuQT09#success>

Go to www.zoom.com and choose "Join a Meeting" at the top of the web page. When prompted, use Meeting number 928 4615 8128 to access the meeting.

-or-

Join by phone (toll-free):

Dial In: (888) 475-4499

Meeting ID: 928 4615 8128

When prompted, enter the Meeting ID number to access the meeting.

Representatives from the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the link or dial-in number 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. 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 Secretary of the Board at board.secretary@bpu.nj.gov.

Comments may be submitted directly to the specific docket listed above using the "Post Comments" button

on the Board's Public Document Search tool (<https://publicaccess.bpu.state.nj.us/>). Comments are considered public documents for purposes of the State's Open Public Records Act. Only public documents should be submitted using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. Due to the COVID-19 pandemic, certain rules requiring paper submissions have been temporarily waived. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage: <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

Sherri L. Golden, Secretary of the Board
44 South Clinton Ave., 1st Floor

PO Box 350

Trenton, NJ 08625-0350

Phone: 609-913-6241

Email: board.secretary@bpu.nj.gov

Table # 1
Components of the Distribution Adjustment Charge

	Electric Charges		Gas Charges	
	Present \$/kWhr (Incl SUT)	Proposed \$/kWhr (Incl SUT)	Present \$/Therm (Incl SUT)	Proposed \$/Therm (Incl SUT)
COVID-19 Cost Recovery	\$0.000000	\$0.000933	\$0.000000	\$0.018989
Distribution Adjustment Charge	\$0.000000	\$0.000933	\$0.000000	\$0.018989

Table # 2
Residential Electric Service

If Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Monthly Percent Change Would Be:
185	\$41.83	\$42.00	\$0.17	0.41%
370	78.72	79.07	0.35	0.44
740	154.41	155.10	0.69	0.45
803	167.83	168.58	0.75	0.45
1,337	281.67	282.92	1.25	0.44

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect July 1, 2023, and assumes that the customer receives BGS-RSCP service from Public Service Electric and Gas Company.
- (2) Same as (1) except includes the COVID-19 component of the DAC.

Table # 3
Residential Gas Service

If Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1)	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill	And Your Monthly Percent
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	Would Be:		Change Would Be:	Change Would Be:
25	\$34.65	\$35.12	\$0.47	1.36%
50	60.71	61.66	0.95	1.56
100	113.92	115.82	1.90	1.67
172	189.76	193.03	3.27	1.72
201	220.38	224.20	3.82	1.73
300	324.50	330.20	5.70	1.76

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect July 1, 2023, and assumes that the customer receives BGS-RSCP service from Public Service Electric and Gas Company.
- (2) Same as (1) except includes the COVID-19 component of the DAC.

Matthew M. Weissman
Managing Counsel - State Regulatory

PUBLIC SERVICE ELECTRIC AND GAS COMPANY