

Matthew M. Weissman
Special Counsel - State Regulatory

Public Service Electric and Gas Company
80 Park Plaza – T20, Newark, New Jersey 07102-4194
Office - 973-430-7052 Cell – 973-900-2242
email: matthew.weissman@pseg.com



May 7, 2025

In The Matter of the New Jersey
Board of Public Utilities' Consideration
of Electric Rate Impacts Beginning June 1, 2025
BPU Docket No. AO20060471

and

In The Matter of the Petition of
Public Service Electric and Gas Company
Presenting Alternative Temporary Supply
Offset Clause ("TSOC") Scenarios
BPU Docket No. _____

VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

Sherry L. Lewis, Secretary
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Lewis:

I am submitting on behalf of Public Service Electric and Gas Company ("PSE&G") the accompanying Verified Petition ("Petition"), in compliance with the order dated April 23, 2025 of the New Jersey Board of Public Utilities ("Board" or the "BPU").^[1] In the Petition PSE&G describes options for the creation of a Temporary Supply Offset Clause ("TSOC") that will be in place for service provided through May 31, 2026. The purpose of the TSOC is to provide temporary relief, beginning on July 1, 2025, from the electric bill increases that will occur following introduction into customers' bills of the results of the Residential and Small Commercial Pricing ("RSCP") and Commercial and Industrial Energy Pricing ("CIEP") Basic Generation Service ("BGS") Auctions (collectively "Auctions") conducted in February 2025. The Board acknowledged in the April 2025 Order that these price increases largely stem from the July 2024 PJM Base Residual Auction.

PSE&G is presenting the following three options for a temporary customer credit to offset the June 1 BGS supply rate increase for the months of July, August, and September, 2025, with collection of the offset amounts over the remainder of the energy year (October, 2025 – May 31, 2026):

^[1] In the Matter of the New Jersey Board of Public Utilities' Consideration of Electric Rate Impacts Beginning June 1, 2025, BPU Docket No. EX25040210, Order (April 23, 2025) ("April 2025 Order").

- Option 1: 100% deferral – the entire BGS increase would be offset by the credit
- Option 2: 50% deferral – half of the BGS increase would be offset by the credit
- Option 3: 25% deferral – one-quarter of the BGS increase would be offset by the credit

As detailed in the Petition and the supporting data and calculations attached thereto, since a credit will be applied for the three summer months of July, August and September, and a charge will be imposed from October through May, the average residential customer, based on average usage, will experience lower summer bills but higher winter bills than they would have in the absence of the TSOC. However, as also detailed in the Petition, the annual impacts of the TSOC on individual customers will differ due to differences in summer/winter usage profiles. Simply stated, customers who use more electricity in the summer and less in the winter, thus maximizing the credit and minimizing the charge, will fare better over the course of the year. More specifically, depending on usage, approximately 400,000 customers who typically use about the same amount of or more electricity during the winter than during the summer, such as customers with electric heat, will ultimately pay slightly more than the total BGS supply rate increase over the course of the year.

Since there are some variable impacts of a credit to temporarily offset the impacts of the BGS increase, in addition to, or in lieu of, possible implementation of a TSOC, PSE&G can coordinate with the BPU to consider other options to address the increasing customer bills due to energy supply costs. These options, which are detailed in the Petition, include but are not necessarily limited to initiatives to increase enrollment in existing programs that provide financial assistance to customers; expanding outreach or changes to enrollment processes for the Equal Payment Plan (“EPP”), which levelizes customers’ bills over the year; implementing automatic distribution of other customer credit programs, should they become available; encouraging customers to use the MyMeter application to help control energy usage; and helping find ways to address the needs of those middle-income households whose income disqualifies them from certain programs but are still in need of payment assistance.

Finally, PSE&G will continue to implement existing programs and take other steps to assist customers with reducing their energy usage and connecting to payment assistance resources and payment plans, including PSE&G’s Board-approved energy efficiency programs; active support and participation in the Universal Service Fund program (“USF”), which helps eligible customers pay their bills; expanded outreach to increase awareness of both energy efficiency and payment assistance programs and the value of the EPP; launching the PSEG Foundation’s Neighborhood Partners Program in mid-May, which will focus on supporting non-profits that provide various comprehensive socioeconomic support services focused on alleviating financial strain, including programs that provide support for food-insecurity, housing, family support services, job training, financial literacy and workforce development; and launching Demand Response programs in June 2025.

PSE&G respectfully requests that the Board take this Petition and supporting materials into consideration in resolving this matter.

Respectfully submitted,



Matthew M. Weissman

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

-----)
IN THE MATTER OF THE NEW JERSEY)
BOARD OF PUBLIC UTILITIES’)
CONSIDERATION OF ELECTRIC)
RATE IMPACTS BEGINNING)
JUNE 1, 2025)
-----)

BPU DOCKET NO. AO20060471

-----)
IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY PRESENTING ALTERNATIVE)
TEMPORARY SUPPLY OFFSET CLAUSE)
(“TSOC”) SCENARIOS)
-----)

VERIFIED PETITION

BPU DOCKET NO. _____

PRELIMINARY STATEMENT

Public Service Electric and Gas Company (“PSE&G” or the “Company”), a corporation of the State of New Jersey, having its principal offices at 80 Park Plaza, Newark, New Jersey, submits this Petition in compliance with the order dated April 23, 2025 of the New Jersey Board of Public Utilities (“Board” or the “BPU”).¹ In the Petition, PSE&G describes options for the creation of a Temporary Supply Offset Clause (“TSOC”) that will be in place for service provided through May 31, 2026. The purpose of the TSOC is to provide temporary relief, beginning on July 1, 2025, from the electric bill increases that will occur following the introduction of the results of the Residential and Small Commercial Pricing (“RSCP”) and Commercial and Industrial Energy Pricing (“CIEP”) Basic Generation Service (“BGS”) Auctions (collectively “Auctions”) conducted in February 2025. The Board acknowledged in the April 2025 Order that these price

¹ In the Matter of the New Jersey Board of Public Utilities’ Consideration of Electric Rate Impacts Beginning June 1, 2025, BPU Docket No. EX25040210, Order (April 23, 2025) (“April 2025 Order”).

increases largely stem from the July 2024 PJM Base Residual Auction.

PSE&G is presenting the following three options for a temporary customer credit to offset the June 1 BGS supply rate increase for the months of July, August, and September, 2025, with collection of the offset amounts over the remainder of the energy year (October, 2025 – May 31, 2026). As detailed in this Petition and the supporting data and calculations attached hereto, since a credit will be applied in July, August and September, and a charge will be imposed from October through May, the average residential customer, based on average usage, will experience lower summer bills but higher winter bills than they would have in the absence of the TSOC. However, as also detailed herein, the total impacts of the TSOC on individual customers will differ due to differences in summer/winter usage profiles. Simply stated, customers who use more electricity in the summer and less in the winter, thus maximizing the credit and minimizing the charge, will fare better over the course of the year. More specifically, depending on usage, approximately 400,000 PSE&G customers who typically use about the same amount or more electricity during the winter than during the summer, such as customers with electric heat, will ultimately pay slightly more than the total BGS supply rate increase over the course of the year.

Since there are some variable impacts of a credit to temporarily offset the impacts of the BGS increase, in addition to, or in lieu of, possible implementation of a TSOC, PSE&G can coordinate with the BPU to consider other options to address the increasing customer bills due to energy supply costs. These options, which are detailed in the Petition, include but not necessarily limited to initiatives to increase enrollment in existing programs that provide financial assistance to customers; expanding outreach or changes to enrollment processes for the Equal Payment Plan (“EPP”), which can levelize a customer’s bill over the year; implementing automatic distribution

of other customer credit programs, should they become available; and helping find ways to address the needs of those middle-income households whose income disqualifies them from certain programs but are still in need of payment assistance.

Finally, PSE&G will continue to implement existing programs and take other steps to assist customers with reducing their energy usage and connecting to payment assistance resources and payment plans, including PSE&G's Board-approved energy efficiency programs; active support and participation in the Universal Service Fund program ("USF") which helps eligible customers pay their bills; commencement of Demand Response programs; and expanded outreach to increase awareness of both energy efficiency and payment assistance programs and the value of the EPP.

INTRODUCTION AND BACKGROUND

1. In the April 2025 Order the Board expressed its concern regarding the customer rate impacts following results of the Auctions for the State's four electric distribution companies, including PSE&G (collectively, "EDCs") to satisfy supply requirements for the EDCs' BGS customers for the period June 1, 2025, through May 31, 2026. Based on the results of the Auctions, which the Board had certified on February 12, 2025, the projected average monthly customer bill increases, beginning June 1, 2025, range from approximately 17% to 20%, depending on the EDC service territory the customer resides in. As is acknowledged in the Order, these price increases largely stem from the July 2024 PJM Base Residual Auction.

2. The April 2025 Order stated that while the auction results were certified as consistent with market conditions, the Board remains concerned about the total bill impact starting June 1, 2025, particularly for residential customers. The Board therefore ordered the EDCs, including PSE&G, to file petitions on or before May 5, 2025 providing distribution side proposals to mitigate bill impacts

to residential customers during high usage summer months. The April 2025 Order directed that the proposals include, but not be limited to, proposals to defer those impacts, as well as supporting calculations. The filing deadline was subsequently modified to May 7, 2025 pursuant to an Order dated May 5, 2025.

3. Following issuance of the April 2025 Order, Board Staff met with the EDCs and the New Jersey Division of Rate Counsel and provided guidance to the EDCs, requesting that each company present the following three options for a distribution rate credit to offset the June 1 BGS rate increase for the months of July, August, and September, 2025, with collection of the offset amounts over the remainder of the energy year (October, 2025 – May 31, 2026):

- Option 1: 100% deferral – the entire BGS increase would be offset by the credit
- Option 2: 50% deferral – half of the BGS increase would be offset by the credit
- Option 3: 25% deferral – one-quarter of the BGS increase would be offset by the credit

**ESTABLISHMENT AND ADJUSTMENT OF
THE TEMPORARY SUPPLY OFFSET CLAUSE**

4. As described herein and in the supporting documents attached hereto, if any of the three Options are implemented, PSE&G will temporarily credit customers and recover the credited amount and carrying charges on the outstanding balance through a new rate called the Temporary Supply Offset Clause (“TSOC”). To calculate carrying charges PSE&G would apply the short term debt rate used to calculate interest on the under/over recovered balance of the Company’s Green Programs Recovery Charge, which is currently an annual rate of 4.5710%. The monthly carrying charge would be calculated by the following formula:

$$(Beginning\ monthly\ balance + Ending\ monthly\ balance) / 2 * (Annual\ Rate / 12)$$

5. The TSOC for the period July 1, 2025 through September 30, 2025 (a credit), and the TSOC for the period October 1, 2025 through May 31, 2026 (a charge), under Options 1, 2, or 3, if approved by the Board, are shown in Tables #1, #2 and #3 below, based on forecasted consumption. Since actual consumption will be different than forecasted consumption during the July – September credit period, PSE&G will have an opportunity to adjust the TSOC for the winter period, up or down, through a filing made on or about September 20, 2025, for a rate effective October 1, 2025. If usage is greater than anticipated in July and August, the TSOC may be adjusted upward, and will be capped at the “Maximum Winter TSOC” levels also shown on Tables #1, #2 and #3.

Table # 1
Temporary Supply Offset Clause – Option 1, 100% Deferral

Effective	Temporary Supply Offset Clause (per kWh)	Temporary Supply Offset Clause including SUT (per kWh)	Maximum Winter TSOC including SUT (per kWh)
July 1, 2025 through September 30, 2025	(\$0.038657)	(\$0.041218)	
October 1, 2025 through May 31, 2026	\$0.021445	\$0.022865	\$0.053336

Table # 2
Temporary Supply Offset Clause – Option 2, 50% Deferral

Effective	Temporary Supply Offset Clause (per kWh)	Temporary Supply Offset Clause including SUT (per kWh)	Maximum Winter TSOC including SUT (per kWh)
July 1, 2025 through September 30, 2025	(\$0.019328)	\$(0.020609)	
October 1, 2025 through May 31, 2026	\$0.010723	\$0.011433	\$0.026668

Table # 3
Temporary Supply Offset Clause – Option 3, 25% Deferral

Effective	Temporary Supply Offset Clause (per kWh)	Temporary Supply Offset Clause including SUT (per kWh)	Maximum Winter TSOC including SUT (per kWh)
July 1, 2025 through September 30, 2025	(\$0.009664)	\$(0.010304)	
October 1, 2025 through May 31, 2026	\$0.005361	\$0.005717	\$0.013334

6. Similarly, actual consumption will be different than forecasted consumption during the late fall and early winter, and PSE&G will have an opportunity to adjust the TSOC for the remainder of the winter period, up or down, through a filing made on or about February 20, 2026, for a rate effective March 1, 2026. If consumption is less than forecasted during the October 2025 – January 2026 period, the TSOC charge may be adjusted upward, and will continue to be capped at the levels shown above.

7. As the name indicates, the TSOC will be a temporary rate element, in place for less than one year. At the end of the 2026 Energy Year (May 31, 2026), the remaining under/over TSOC

balance plus accumulated carrying costs, if any, will be transferred to an electric component of PSE&G's Green Programs Recovery Charge for recovery going forward, and the TSOC will be discontinued.

**IMPACTS ON INDIVIDUAL RESIDENTIAL CUSTOMERS WILL DIFFER DUE
TO DIFFERENCES IN SUMMER/WINTER USAGE PROFILES**

8. Due to a credit being applied for the three summer months of July, August and September, and a charge being imposed over the 8 winter months (October through May), the average residential customer, based on average usage, will experience lower summer bills but higher winter bills than they would have in the absence of the TSOC, as illustrated on the following Table # 4.² The average residential customer is defined as a customer whose average monthly usage is 558 kWh (approximately 6,700 kWh per year), and whose average summer usage is 683 kWh. As shown below, that average residential customer will experience a bill increase of approximately \$28 per month when the new BGS rates are implemented on June 1, 2025, from \$177 to \$206.³ In addition, again based on average usage, that same customer will experience an increase in their monthly winter bill, versus their average winter bill prior to the BGS increase, of approximately \$20, from \$114 to \$134. If PSE&G were to implement Option 1 (that is, to provide a credit eliminating one hundred percent of the bill increase in the summer months July, August and September), the results for the average customer are shown in the last column of Table #4: the bill for those three months will return to the pre-June 1 level of \$177, resulting in an average four month summer bill (including June) of \$185, while the bill during the winter months (October 2025 through May 2026) will be \$12 per

² All figures presented in this Verified Petition are supported by the Verification of Stephen Swetz and the data and calculations attached hereto.

³ Amounts in Table #4 may not sum correctly due to rounding.

month higher than it would otherwise have been, that is, \$146 versus the \$134 that would have obtained if the BGS increase had not been offset by a credit in July, August and September; the \$146 figure would represent a \$32 increase (a 28% increase) versus the monthly winter bill of \$114 before implementation of the new BGS rates on June 1, 2025.

Table # 4
Average Monthly Bill Impacts – Typical Customer*

	7/1 w/o BGS Auction Rates	w/ BGS Auction Rates	25% Deferral	50% Deferral	100% Deferral
<i>Monthly Bills - \$</i>					
Summer	177	206	200	195	185
Winter	114	134	137	140	146
<i>Monthly Impact - \$</i>					
Summer		28	23	18	7
Winter		20	23	26	32
<i>% Monthly Impact</i>					
Summer		16%	13%	10%	4%
Winter		18%	20%	23%	28%

*Amounts may not sum correctly due to rounding

9. The amounts in Table # 4 illustrate the outcomes for a customer with a generally typical usage pattern for PSE&G, that is, with higher usage during the summer cooling season; as noted, the calculations leading to the figures above assume a customer whose average monthly usage is 558 kWh (approximately 6,700 kWh per year), and whose average summer usage is 683 kWh. Holding total annual usage constant, a customer who uses more electricity in the winter than the average customer at that annual usage level will experience a proportionately greater winter increase than shown above, since that customer will enjoy a summer credit on a smaller proportion of its annual usage, and will pay the winter charge on a larger proportion of its usage than the average customer. As shown in Table # 5 below, a customer whose average monthly winter consumption actually

exceeds average monthly summer consumption (e.g., an electric heating customer) will experience a material annual increase (3.91% on Table # 5), incremental to the June 1, 2025 BGS increase, due to the size of the winter charge as applied to that customer's usage.

10. In addition, it is generally the case that average lower use residential customers, that is, customers consuming less than 6,700 kWh per year tend to have lower proportions of summer versus winter usage than larger customers; conversely, average higher use customers (those above 6,700 kWh per year), tend to have profiles skewing more heavily toward summer usage. For this reason, under each of the three options proposed, average lower use customers will generally see a slight annual increase incremental to the BGS increase, while customers that use greater amounts of electricity will see a slight annual decrease off the BGS increase (since those higher use customers' usage tends to skew more heavily toward the summer, when the credit will be applied). Also, as noted above, for customers of equal use (for example, both consuming 6,700 kWh per year), the customer with a "flatter" usage profile (that is, flat throughout the year and therefore skewed toward more toward the winter than the average customer reflected in Table #4) will see a greater upward impact due to the magnitude of the charge as applied to its usage, than will the customer with the average summer/winter use profile. The winter impact will be even larger for a similarly sized customer (6,700 kWh per year) if that customer is "beyond flat", that is, uses more electricity in the winter than the summer.

11. The impacts described in the two preceding paragraphs are illustrated in Table # 5 below, which shows the impact of the Option 1 TSOC levels over the course of the full Energy Year (June 1, 2025 – May 31, 2026) on a sample of typical residential customers. Typical lower use customers, shown in the first two rows, whose summer usage is slightly higher than their average usage, would

actually pay slightly more over the course of the year (approximately 0.3%, incremental to the BGS increase), while the typical higher use customers in the bottom two rows, whose usage is even more skewed toward the summer, will actually see a small benefit over the course of the year (in essence, they will actually not feel the full impact of the June 1, 2025 BGS increase), due to their proportionately higher use of the credit during the summer months.

12. Focusing again on similarly situated residential customers with different use profiles (the middle three rows) is instructive. The typical customer (6,700 kWh per year), with slightly higher summer usage (558 kWh monthly average, 683 kWh monthly summer usage) (see row 3), will see an annual increase of 0.33% (incremental to the June 1, 2025 BGS increase). However, the 6,700 kWh per year customer with lower summer and high winter usage (e.g., an electric heating customer whose summer monthly average is only 375 kWh) (see row 5) will see an annual increase of nearly 4% (incremental to the BGS increase) under Option 1.

Table # 5
Residential Electric Service – Option 1, 100% Deferral

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed changes in the Temporary Supply Offset Clause (TSOC) on typical residential electric bills, if approved by the Board

Residential Electric Service – Average Monthly Bill

If your Average Monthly kWh Use Is:	And Your Jun to Sept Avg Monthly kWh 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:
140	171	\$43.97	\$44.10	\$0.13	0.30%
279	342	81.95	82.21	0.26	0.32
558	683	158.15	158.67	0.52	0.33
558	558	156.45	159.21	2.76	1.76
558	375	154.52	160.56	6.04	3.91
650	803	183.54	183.54	(0.15)	(0.08)
977	1,279	275.60	275.01	(0.59)	(0.21)

(1) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect June 1, 2025, and assumes that the customer receives commodity service from Public Service.

(2) Same as (1) except includes impact of the TSOC.

14. PSE&G notes that a significant number of its customers have greater than average winter versus summer usage, and will therefore be more severely impacted than shown in Table # 4 above, which reflects the impact on customers with average winter/summer profiles. Approximately 20% of PSE&G's residential customers (i.e., 400,000 customers) have either flat usage throughout the year (i.e., no meaningful difference in average monthly usage during the winter versus the summer), or in fact have higher average usage in the winter. As illustrated by Table # 5, at each level of usage, those customers with heavier use in the winter will experience a bigger upward impact over the course of the year due to the magnitude of the charge as applied to their usage.

**OTHER INITIATIVES, PROGRAMS AND ACTIVITIES TO ASSIST CUSTOMERS OR
HELP REDUCE ENERGY USAGE**

15. In addition to, or in lieu of, possible implementation of a TSOC charge to defer via distribution rates the impacts of the energy supply rate increase this summer, PSE&G can coordinate with the BPU to consider other options to address the increasing customer bills due to energy supply costs including, but not necessarily limited to:

- working with the BPU on a proposed initiative to increase enrollment in the USF program by 10% over three years;
- expanding outreach or changes to enrollment processes for the Equal Payment Plan (“EPP”), a program that removes the ups and downs of seasonality from bills, providing a 6-month review and adjustment to keep customers on track, thus providing a predictable bill for customers each month;
- implementing automatic distribution of other customer credit programs, should they become available, such as the 2024 Residential Energy Assistance Payment (“REAP”) program that provided a one-time bill credit, which could be implemented during the summer, to eligible residential customers;
- encouraging customers to use the MyMeter application, to assist in controlling energy usage; and/or
- helping find ways to address the needs of those middle-income households whose income disqualifies them from certain programs but are still in need of payment assistance.

16. Moreover, PSE&G has and will continue to implement programs and take other steps to assist customers with reducing their energy usage and connecting to payment assistance resources and payment plans including the following:

- PSE&G's BPU-approved energy efficiency programs have enrolled over 415,000 customers with participants projected to save a total \$640 million annually (based on rate class averages for residential and small commercial customers).
- PSE&G currently has approximately 180,000 participants in the Universal Service Fund program ("USF") which helps eligible customers, those up to 60% of median household income in New Jersey, pay their bills.
- PSE&G already is expanding outreach to increase awareness of both energy efficiency and payment assistance programs and the value of the EPP. PSE&G has developed an Affordability Guide that will be distributed throughout the year to provide streamlined access to a variety of resources through integrated links to energy savings tips and assessments as well as various resources for bill payment assistance for low-income qualified customers.
- PSEG Foundation's Neighborhood Partners Program launches in mid-May and will focus on supporting non-profits that provide various comprehensive socioeconomic support services focused on alleviating financial strain including programs that provides support for food-insecurity, housing, family support services, job training, financial literacy and workforce development.

- PSE&G is launching Demand Response programs in June and is estimating to enroll approximately 25,000 residential and small business customers over the summer.

NOTICE AND HEARINGS

17. 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 3 of this Petition. If the Board directs PSE&G to implement one of the three Options, 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 electric service territories upon receipt of public hearing dates.

ATTACHED DOCUMENTS, DATA AND CALCULATIONS

18. The following documents and other materials are attached to this Petition.

Attachment 1 – Verification of Stephen Swetz

Attachment 2 – Form of Legal Notice

Electronic Workpapers

TSOC Rate Impacts.xlsx

Sales Forecast Jun25May26.xlsx

COMMUNICATIONS

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

Katherine Smith
Managing Counsel, State Regulatory
Public Service Electric and Gas Company
80 Park Plaza, T20
Newark, New Jersey 07102
katherine.smith@pseg.com

Matthew M. Weissman
Public Service Electric and Gas Company
PSEG Service Company
80 Park Plaza, T20
Newark, New Jersey 07102
matthew.weissman@pseg.com

Caitlyn White
Public Service Electric and Gas Company
80 Park Plaza, T20
Newark, New Jersey 07102
caitlyn.white@pseg.com

Maria Barling
Public Service Electric and Gas Company
80 Park Plaza, T20
Newark, New Jersey 07102
maria.barling@pseg.com

Bernard Smalls
Public Service Electric and Gas Company
80 Park Plaza, T20
Newark, New Jersey 07102
bernard.smalls@pseg.com

CONCLUSION AND REQUEST FOR DETERMINATION

20. PSE&G will provide, in an expedited manner, responses to all reasonable requests for information from the parties regarding this submission.
21. PSE&G respectfully requests that the Board take this Petition and supporting materials into consideration in resolving this matter.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



Matthew M. Weissman
Public Service Electric and Gas Company
80 Park Plaza, T-20
P. O. Box 570
Newark, New Jersey 07102

DATED: May 7, 2025
Newark, New Jersey

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
CONSIDERATION OF ELECTRIC)	
RATE IMPACTS BEGINNING)	
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PUBLIC SERVICE ELECTRIC AND GAS)	VERIFIED PETITION
COMPANY PRESENTING ALTERNATIVE)	BPU DOCKET NO. _____
TEMPORARY SUPPLY OFFSET CLAUSE)	
("TSOC") SCENARIOS)	
-----)	

VERIFICATION

I, Stephen Swetz, of full age, verifies as follows:

1. I am the Senior Director of Corporate Rate & Revenue Requirements for PSEG Services Corporation.
2. I have read the contents of the foregoing Petition, and the information contained therein are true and correct to the best of my knowledge, information, and belief.



Dated: May 7, 2025

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

**In the Matter of the New Jersey Board of
Public Utilities' Consideration of Electric
Rate Impacts Beginning June 1, 2025**

BPU Docket No. EX25040210

**In the Matter of the Petition of Public
Service Electric and Gas Company
Presenting Alternative Temporary Supply Offset
Clause Scenarios**

BPU Docket No. _____

Notice of Filing and Notice of Public Hearings

PLEASE TAKE NOTICE that, on May 7, 2025, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition and supporting documentation with the New Jersey Board of Public Utilities ("Board") presenting alternative bill credit and cost recovery scenarios to offset a BGS supply rate increase, as directed by the Board.

The petition was filed in response to a Board order dated April 23, 2025 ("April 2025 Order") and reflecting the Board's concern regarding the results, which had been certified by the Board on February 12, 2025, of the Residential and Small Commercial Pricing ("RSCP"), and Commercial and Industrial Energy Pricing ("CIEP"), Basic Generation Service ("BGS") Auctions (collectively "Auctions") for the State's four electric distribution companies, including PSE&G (collectively, "EDCs") to satisfy supply requirements for the EDCs' BGS customers for the period June 1, 2025, through May 31, 2026. Based on the Board-certified results of the Auctions, the projected average monthly customer bill increases beginning June 1, 2025 range from 17.23% to 20.20%, depending on the EDC service territory the customer resides in. These price increases largely stem from the July 2024 PJM based residual auction.

The April 2025 Order stated that while the auction results were certified as consistent with market conditions, the Board remains concerned about the total bill impact starting June 1, 2025, particularly for residential customers. The Board therefore ordered the EDCs, including PSE&G, to file petitions on or before May 5, 2025 providing distribution side proposals to mitigate bill impacts to residential customers during high

usage summer months. The April 2025 Order directed that the proposals include, but not be limited to, proposals to defer those impacts, as well as supporting calculations. The filing deadline was subsequently modified to May 7, 2025 pursuant to a Board Order dated May 5, 2025.

PSE&G presented three options for a supply offset credit to offset the June 1 BGS increase for the months of July, August, and September, 2025, with collection of the offset amounts over the remainder of the energy year (October, 2025 – May 31, 2026)

- Option 1: 100% deferral – the entire BGS increase would be offset by the credit
- Option 2: 50% deferral – half of the increase would be offset by the credit
- Option 3: 25% deferral – one-quarter of the increase would be offset by the credit

Under PSE&G's submission the Company would credit customers and recover the credited amount and carrying charges through a new rate called the Temporary Supply Offset Clause ("TSOC"). Under each of the three options, PSE&G would recover the credit plus a carrying charge on the outstanding balance. The carrying charge rate applied would be the short term debt rate used to calculate interest on the under/over recovered balance of the Company's Green Programs Recovery Charge, which is currently an annual rate of 4.5710%. The estimated interest expense will be included in the cost recovery.

The TSOC for the period July 1, 2025 through September 30, 2025 (a credit), and the TSOC for the period October 1, 2025 through May 31, 2026 (a charge), under Option 1, 2 and 3 if approved by the Board, are shown in Tables #1, #2 and #3 respectively.

Since consumption will be different than anticipated during the July – September credit period, PSE&G will have an opportunity to adjust the TSOC for the winter period, up or down, through a filing by September 20, 2025, for a rate effective October 1, 2025. If usage is greater than anticipated in July and August, the TSOC may be adjusted upward, and will be capped at the level shown on Tables #1, #2 and #3.

Since consumption may be less than anticipated during the October 2025 – January 2026 period, it may be appropriate to set the TSOC charge at a level higher than anticipated during the winter period, and PSE&G may adjust the TSOC upward on March 1, 2026, following notice to the Board Staff and Rate Counsel by February 20, 2026. The TSOC to be established at that time is capped at the level also shown on Tables #1, #2 and #3.

The approximate effect of the proposed impact on typical electric residential average monthly bills under Option 1, if approved by the Board, is illustrated in Table #4. Since the magnitude of the TSOC credits and charges will be at their highest level under Option 1, this Notice illustrates the bill impacts only under that Option.

Under Option 1, based on the filing, a typical residential electric customer using 683 kWh in a summer month and 558 kWh in an average month (6,700 kWh annually) would see an increase in the average monthly bill from \$158.15 to \$158.67, or \$0.52 or approximately 0.33%, for the period June 2025 through May 2026.

Under Option 1, based on the filing, a typical residential electric customer with a flatter seasonal usage pattern, using 558 kWh in a summer month and 558 kWh in an average month (6,700 kWh annually) would see an increase in the average monthly bill from \$156.45 to \$159.21, or \$2.76 or approximately 1.76%, for the period June 2025 through May 2026.

Under Option 1, based on the filing, a typical residential electric customer whose winter usage exceeds summer usage, using 375 kWh in a summer month and 650 kWh in a winter month (6,700 kWh annually) would see an increase in the average monthly bill from \$154.52 to \$160.56, or \$6.04 or approximately 3.91%, for the period June 2025 through May 2026.

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21, to establish the Supply Offset Charge at levels it finds just and reasonable. Therefore, the Board may establish the TSOC at levels other than that proposed by PSE&G. As a result, the described charge may increase or decrease based upon the Board's decision.

PSE&G's costs addressed in the Petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

Any assistance required by customers in ascertaining the impact of the proposed rate changes will be provided by the Company upon request.

A copy of this Notice 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 was provided 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 may also be viewed on the Board's website, <https://publicaccess.bpu.state.nj.us>, where you can search by the above-captioned docket number. 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 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:

TIMES: 4:30 p.m. and 5:30 p.m.

Join Virtually:

There are two options for joining.

Either go to this website:

<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>

and enter the following information:

Meeting ID: 992 979 119 781

Passcode: 3X59PZ

-or-

Join by Phone

Dial In: (973) 536-2286

Phone conference ID: 537 811 425#

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

Representatives from the Company, Board Staff and 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 Board Secretary 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. 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 at <https://www.nj.gov/bpu/agenda/efiling/>.

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

Sherri L. Lewis, Secretary of the Board
44 South Clinton Ave.
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

Table # 1
Temporary Supply Offset Clause – Option 1, 100% Deferral

Effective	TSOC (per kWh)	TSOC including SUT (per kWh)	Maximum Winter TSOC including SUT (per kWh)
July 1, 2025 through September 30, 2025	(\$0.038657)	(\$0.041218)	
October 1, 2025 through May 31, 2026	\$0.021445	\$0.022865	\$0.053336

Table # 2
Temporary Supply Offset Clause – Option 2, 50% Deferral

Effective	TSOC (per kWh)	TSOC including SUT (per kWh)	Maximum Winter TSOC including SUT (per kWh)
July 1, 2025 through September 30, 2025	(\$0.019328)	\$(0.020609)	
October 1, 2025 through May 31, 2026	\$0.010723	\$0.011433	\$0.026668

Table # 3
Temporary Supply Offset Clause – Option 3, 25% Deferral

Effective	TSOC (per kWh)	TSOC including SUT (per kWh)	Maximum Winter TSOC including SUT (per kWh)
July 1, 2025 through September 30, 2025	(\$0.009664)	\$(0.010304)	
October 1, 2025 through May 31, 2026	\$0.005361	\$0.005717	\$0.013334

Table # 4
Residential Electric Service – Option 1, 100% Deferral

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed changes in the Temporary Supply Offset Clause (TSOC) on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service - Average Monthly Bill					
If Your Average Monthly kWh. Use Is:	And Your Jun. to Sep. Avg. Monthly kWh 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:
140	171	\$43.97	\$44.10	\$0.13	0.30 %
279	342	81.95	82.21	0.26	0.32
558	683	158.15	158.67	0.52	0.33
558	558	156.45	159.21	2.76	1.76
558	375	154.52	160.56	6.04	3.91
650	803	183.69	183.54	(0.15)	(0.08)
977	1,279	275.60	275.01	(0.59)	(0.21)

(1) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect June 1, 2025, and assumes that the customer receives commodity service from Public Service.

(2) Same as (1) except includes the annual impact of the SOC.

Residential Electric Service - Monthly Summer Bill				
If Your Monthly Summer kWh 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:
171	\$55.70	\$50.41	(\$5.29)	(9.50) %
342	105.43	94.86	(10.57)	(10.03)
683	205.66	184.54	(21.12)	(10.27)
558	168.30	151.04	(17.26)	(10.26)
375	115.01	103.42	(11.59)	(10.08)
803	242.01	215.31	(26.70)	(11.03)
1,279	387.03	347.48	(39.55)	(10.22)

Residential Electric Service - Monthly Winter Bill				
If Your Monthly Winter kWh 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:
124	\$38.10	\$40.94	\$2.84	7.45 %
248	70.21	75.88	5.67	8.08
496	134.40	145.74	11.34	8.44
558	150.53	163.30	12.77	8.48
650	174.27	189.13	14.86	8.53
574	154.53	167.65	13.12	8.49
826	219.89	238.78	18.89	8.59

(3) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect June 1, 2025, and assumes that the customer receives commodity service from Public Service.

(4) Same as (3) except includes the impact of the SOC.

Matthew M. Weissman
Special Counsel – State Regulatory

PUBLIC SERVICE ELECTRIC AND GAS COMPANY