

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ITS CLEAN ENERGY FUTURE – ENERGY EFFICIENCY (“CEF-EE”) PROGRAM ON A REGULATED BASIS

Notice of Public Hearings BPU Docket Nos. GO18101112 and EO18101113

TAKE NOTICE that Public Service Electric and Gas Company (“Public Service,” “PSE&G,” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) in October 2018 requesting approval to expand its energy efficiency deployment in its service territory beyond current levels through the establishment of a Clean Energy Future - Energy Efficiency Program (“CEF-EE Program” or “Program”).

Additionally, the Company has requested the authority to implement an electric and gas Green Enabling Mechanism (GEM), which would decouple PSE&G’s electric and gas sales revenue from per customer usage.

The CEF-EE Program includes 22 subprograms that aim to increase energy efficiency in all sectors of the economy and offer savings opportunities across PSE&G’s customer base. The subprograms will implement energy efficiency measures that will be in effect for as much as 30 years.

PSE&G seeks BPU approval to commit up to \$2.5 billion in direct investment and \$283 million in expense over a period of approximately six (6) years. Approval of this filing would increase rates to be paid by the Company’s electric customers by \$33.0 million and increase rates to be paid by the Company’s gas customers by \$1.4 million.

PSE&G proposes to recover all Program costs through a new, separate component of the existing electric and gas Green Programs Recovery Charge (“GPRC”) entitled “Clean Energy Future - Energy Efficiency Program.” The CEF-EE Program component will be applicable to all electric and gas rate schedules. The component would be reviewed and modified in an annual filing.

The Company 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 revenue requirement is calculated using the Company’s most recent authorized weighted average cost of capital, which is currently set at 6.99%. The proposed GPRC rates, if approved by the Board, are shown in Table #1. Rate recovery of the CEF-EE costs will commence in 2019 and continue through 2042.

Table #2 and #3 provide the approximate net effect of the proposed initial increase in rates relating to the CEF-EE Program, if approved by the Board. The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer’s usage. The approximate effect of the proposed initial increase on typical electric and gas residential monthly bills, if approved by the Board, is illustrated in Table # 4 and # 5.

Under the Company’s proposal, a typical residential electric customer using 740 kWh per summer month and 6,920 kWh on an annual basis would see an initial increase in the annual bill from \$1,253.76 to \$1,257.64, or \$3.88, or approximately 0.31%. In addition, PSE&G proposed to recover the overall Program costs over a period of approximately 25 years, with total recoveries of an estimated \$2,798 million, and a peak increase to typical annual residential electric bills of \$40.68 occurring in 2030. The average annual rate impact through 2043 would amount to an average increase in the annual bill of \$20.45, or 1.6% during this period.

Under the Company’s proposal, a residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see an initial increase in the annual bill from \$566.34 to \$566.64, or \$0.30, or approximately 0.05%.

Moreover, under the Company’s proposal, a typical residential gas heating customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see an initial increase in the annual bill from \$893.03 to \$893.43, or \$0.40, or approximately 0.04%. In addition, PSE&G proposed to recover the overall Program costs over a period of approximately 25 years, with total recoveries of an estimated \$694 million and a peak increase to typical annual residential gas bills of \$20.32 occurring in 2032. The average annual rate impact through 2043 would amount to an average increase in the annual bill of \$10.92, or 1.2% during this period.

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21 to establish the GPRC to levels it finds just and reasonable. Therefore, the Board may establish the GPRC at a level other than that proposed by Public Service. Therefore, the described charges may increase or decrease based upon the Board’s decision.

Copies of the Company’s filing are available for review at the Company’s Customer Service Centers (addresses located here: <https://nj.pseg.com/customerservice/locations>), online at the PSEG website at <http://www.pseg.com/pseandgfilings>, and at the Board of Public Utilities at 44 South Clinton Avenue, 2nd Floor, Trenton, NJ 08625-0350. Any member of the public who wants to inspect the petition at the Board may contact the Board’s Division of Case Management at (609) 292-0806 to schedule an appointment.

The following dates, times and locations for public hearings on the Company’s CEF-EE Program filing have been scheduled so that members of the public may present their views. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

<p>March 13, 2019 4:00 and 5:30 PM Middlesex County Administration Building Freeholders Meeting Room 1st Floor Meeting Room 75 Bayard Street New Brunswick, NJ 08901</p>	<p>March 18, 2019 4:00 and 5:30 PM Burlington County Administration Building Board of Chosen Freeholders Board Room 1st Floor 49 Rancocas Road Mt. Holly, NJ 08060</p>	<p>March 21, 2019 4:00 and 5:30 PM Bergen County Administration Building Administration Building Freeholders Public Meeting Room Room 540 1 Bergen County Plaza Hackensack, NJ 07601</p>
--	--	--

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings.

Customers may also file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, Third Floor, Suite 314, P.O. Box 350, Trenton, New Jersey, 08625-0350, ATTN: Secretary Aida Camacho-Welch, whether or not they attend the public hearings.

**Table #1
Initial GPRC Charge Impact**

	CEF-EE Program Component of the GPRC		Total GPRC	
	Present (Incl SUT)	Proposed (Incl SUT)	Present (Incl SUT)	Proposed (Incl SUT)
GPRC Electric - \$ per kWh	\$0.000000	\$0.000551	\$0.001501	\$0.002053
GPRC Gas - \$ per Therm	\$0.000000	\$0.000409	\$0.005346	\$0.005756

**Table #2
Initial Rate Impact by Electric Customer Class**

Proposed Percentage (%) Increase by Customer Class for Electric Service		
	Rate Class	% Increase
Residential	RS	0.31%
Residential Heating	RHS	0.39
Residential Load Management	RLM	0.31
General Lighting & Power	GLP	0.33
Large Power & Lighting-Secondary	LPL-S	0.43
Large Power & Lighting-Primary	LPL-P	0.50
High Tension-Subtransmission	HTS-S	0.57

The percent increases noted above are based upon Delivery Rates and the applicable Basic Generation Service (BGS) charges in effect February 1, 2019, and assumes that customers receive commodity service from Public Service Electric and Gas Company.

**Table #3
Initial Rate Impact by Gas Customer Class**

Proposed Percentage (%) Increase by Customer Class for Gas Service		
	Rate Class	% Increase
Residential Service	RSG	0.04%
General Service	GSG	0.04
Large Volume Service	LVG	0.05
Firm Transportation Gas Service	TSG-F	0.06
Non-Firm Transportation Gas Service	TSG-NF	0.06
Cogeneration Interruptible Service	CIG	0.08

The percent increases noted above are based upon Delivery Rates and the applicable Basic Gas Supply Service (BGSS) charges in effect February 1, 2019, and assumes that customers receive commodity service from Public Service Electric and Gas Company.

**Table #4
Residential Electric Service**

If Your Annual kWh Use Is:	And Your Monthly Summer kWh 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:
1,732	185	\$37.12	\$37.22	\$0.10	0.27%
3,464	370	69.28	69.48	0.20	0.29
6,920	740	135.52	135.93	0.41	0.30
7,800	803	147.34	147.78	0.44	0.30
12,500	1,337	247.51	248.24	0.73	0.29

- Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect February 1, 2019, and assumes that the customer receives BGS-RSCP service from Public Service.
- Same as (1) except includes the proposed change in the Clean Energy Future - Energy Efficiency Program component of the GPRC.

**Table #5
Residential Gas Service**

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Monthly Percent Change Would Be:
170	25	\$27.93	\$27.94	\$0.01	0.04%
340	50	47.21	47.23	0.02	0.04
610	100	87.05	87.10	0.05	0.06
1,040	172	143.56	143.63	0.07	0.05
1,210	200	165.48	165.56	0.08	0.05
1,816	300	243.92	244.05	0.13	0.05

- Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect February 1, 2019, and assumes that the customer receives BGSS-RSG commodity service from Public Service.
- Same as (1) except includes the proposed change in the Clean Energy Future - Energy Efficiency Program component of the GPRC.