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May 31, 2019

In the Matter of the Petition of
Public Service Electric and Gas Company's
2019 Annual Margin Adjustment Charge ("MAC")

BPU Docket No. _____

VIA BPU E-FILING SYSTEM & OVERNIGHT MAIL

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of petitioner Public Service Electric and Gas Company is the Petition, Testimony of Stephen Swetz, and Supporting Schedules in the above-referenced proceeding.

Very truly yours,

A handwritten signature in blue ink that reads "Matthew Weissman".

Matthew M. Weissman

C Attached Service List (electronic only)

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF PUBLIC SERVICE)	
ELECTRIC AND GAS COMPANY'S)	PETITION
2019 ANNUAL MARGIN)	DOCKET NO. _____
ADJUSTMENT CHARGE (MAC))	

Public Service Electric and Gas Company (“PSE&G” or “Company”), a public utility of the State of New Jersey, with its principal offices for the transaction of business at 80 Park Plaza Newark, New Jersey 07101, hereby petitions the New Jersey Board of Public Utilities (“Board” or “BPU”) as follows:

PSE&G, as a combined electric and gas utility, is engaged in the purchase, transmission, distribution, and sale of natural gas for residential, commercial, and industrial customers in New Jersey, in addition to its electric operations.

MARGIN ADJUSTMENT CHARGE (MAC)

1. On January 9, 2002, as a result of the gas base rate case under BPU Docket No. GR01050328, the MAC was implemented to credit the net revenues associated with Non-Firm Transportation Gas Service (TSG-NF) rates to customers on Rate Schedules Residential Service (RSG), General Service (GSG), Large Volume Service (LVG), Street Lighting Service (SLG), and Firm Transportation Gas Service (TSG-F).

2. There are two limited situations when some or all of the revenue associated with certain specific TSG-NF customers flow to earnings instead of being included in the

MAC and distributed to customers on RSG, GSG, LVG, SLG, and TSG-F rate schedules.

These situations are:

i. When gas applications formerly being served under Rate Schedule LVG switch to Rate Schedule TSG-NF after the effective date of a base rate case decision. The total TSG-NF revenues from these switching customers, other than that related to the commodity, Sales and Use Tax (SUT), Societal Benefits Charge (SBC), Tax Adjustment Credit (TAC), and Green Programs Recovery Charge (GPRC), flow to earnings in lieu of being included in the MAC, until the effective date of new rates in the Company's next base rate case. These revenues will be used to recover costs associated with the infrastructure (service, mains, meters, etc.) already installed to provide firm service at Rate Schedule LVG, since TSG-NF revenues no longer flow to the Company once the customer switches from LVG to TSG-NF. The margin treatment for customers switching from TSG-NF to LVG is reciprocal for customers switching from LVG to TSG-NF.

ii. When the Company retains a portion of the TSG-NF revenues for new TSG-NF customers whose service commences on or after the end of the test year established in a base rate case or for additional investment necessary to serve existing TSG-NF customers after the end of the base rate case test year. For this purpose, new customers are defined as gas service to a separately metered new account for equipment that did not previously utilize gas delivery

service from PSE&G. As described in the first situation above, TSG-NF net revenues are defined as total revenues, other than that related to the commodity, SUT, SBC, TAC, and GPRC charges. The annual amount retained by the Company is equal to twenty-percent (20%) of the cost of the new facilities required to serve all such customers, less any direct customer contribution toward these costs, and is used to cover the costs associated with these new customers. As in the first situation, the cost recovery associated with these customers remains in force until the effective date of new rates in the Company's next base rate case proceeding.

3. In the 2018 MAC proceeding, the MAC credit remained (\$0.006758) per therm including SUT. BPU Docket No. GR18060605 (Decision and Order Approving Stipulation for MAC Rates, March 29, 2019).

2019 ANNUAL MAC FILING

4. This annual MAC filing is supported by the direct testimony of Stephen Swetz attached hereto as Attachment A, in which he recommends retaining the current MAC of (\$0.006758) per therm including SUT. Details supporting the MAC balance can be found on Schedule SS-MAC-3.

5. For the period ending April 30, 2019, the actual MAC balance is over-collected by \$12.42 million, excluding interest as detailed on Schedule SS-MAC-3, column 10.

6. At the end of September 2019, the MAC balance is forecasted to be over-collected by \$18.36 million, excluding interest as detailed on Schedule SS-MAC-3, column 10. At the end of September 2019, the MAC balance including interest is forecasted to be over-collected by \$20.28 million as detailed on Schedule SS-MAC-3, column 14.

7. The newly calculated rate of (\$0.008510) per therm including SUT, would result in a rate decrease of \$0.001752 per therm from the current rate of (\$0.006758) per therm including SUT. However, the over-collection at the end of September 2019 is dependent on the forecasted margins from many large customers, which tend to be extremely volatile and could be adversely impacted by many unforeseeable factors, such as economic uncertainty. As this matter is filed on an annual basis, the Company believes that given this uncertainty, it is prudent that the current rate of (\$0.006758) per therm including SUT remain in effect. A clean tariff sheet for the current MAC is attached hereto as Attachment B.

8. A typical residential gas heating customer that uses 172 therms in a winter month and 1,040 therms on an annual basis would see no change to their current annual bill of \$893.03 based upon rates in effect on May 1, 2019, and assuming the customer receives Basic Gas Supply (BGS-RSG) service from PSE&G.

COMMUNICATIONS

Communications and correspondence related to this filing should be sent as follows:

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CONCLUSION

WHEREFORE, PSE&G hereby requests that the Board issue a written Order by October 1, 2019 approving the Company's current MAC rate of (\$0.006758) per therm (including SUT) as reasonable and prudent at this time and, accordingly, modify the Tariff for Gas Service, B.P.U.N.J. No. 16 Gas, pursuant to N.J.S.A. 48:2-21 and 48:2-21.1.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



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DATED: May 31, 2019
Newark, New Jersey

1 **PUBLIC SERVICE ELECTRIC AND GAS COMPANY**
2 **DIRECT TESTIMONY**
3 **OF**
4 **STEPHEN SWETZ**
5 **SR. DIRECTOR - CORPORATE RATES AND REVENUE**
6 **REQUIREMENTS**
7

8 **Q. Please state your name and affiliation.**

9 A. My name is Stephen Swetz, and I am the Senior Director – Corporate Rates
10 and Revenues Requirements for PSEG Services Corporation. My credentials are
11 set forth in the attached Schedule SS-MAC-1.

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

13 A. The purpose of my testimony is to support Public Service Electric and Gas
14 Company’s (“PSE&G” or “Company”) annual Margin Adjustment Charge
15 (“MAC”) filing. The testimony and accompanying schedules support a MAC
16 credit of (\$0.008510) per therm including New Jersey Sales and Use Tax (SUT) of
17 6.625%. However, as this credit is dependent on the forecasted margins from
18 many large customers which tend to be extremely volatile, the Company is
19 proposing to maintain the current rate of (\$0.006758) per therm including SUT.

20 **Q. Please briefly discuss the history of the Margin Adjustment Charge.**

21 A. On January 9, 2002, as a result of the gas base rate case under Board of
22 Public Utilities (“BPU”) Docket No. GR01050328, the MAC was implemented to
23 credit the net revenues associated with Non-Firm Transportation Gas Service

24 (TSG-NF) rates to customers on Rate Schedules Residential Service (RSG),
25 General Service (GSG), Large Volume Service (LVG), Street Lighting Service
26 (SLG), and Firm Transportation Gas Service (TSG-F).

27 There are two limited situations when some or all of the revenue associated
28 with certain specific TSG-NF customers flow to earnings instead of being
29 included in the MAC and distributed to customers on RSG, GSG, LVG, SLG, and
30 TSG-F rate schedules. These situations are:

- 31 1. When gas applications formerly being served under Rate Schedule LVG
32 switch to Rate Schedule TSG-NF after the effective date of a base rate case
33 decision, the total TSG-NF revenues from these switching customers, other
34 than that related to the commodity, SUT, Societal Benefits Charge (SBC),
35 Tax Adjustment Credit (TAC), and Green Programs Recovery Charge
36 (GPRC), flow to earnings in lieu of being included in the MAC until the
37 effective date of new rates in the Company's next base rate case. These
38 revenues will be used to recover costs associated with the infrastructure
39 (service, mains, meters, etc.) already installed to provide firm service at
40 Rate Schedule LVG, since TSG-NF revenues no longer flow to the
41 Company once the customer switches from LVG to TSG-NF. The margin
42 treatment for customers switching from TSG-NF to LVG is reciprocal for
43 customers switching from LVG to TSG-NF.
- 44 2. When the Company retains a portion of the TSG-NF revenues for new
45 TSG-NF customers whose service commences on or after the end of the test
46 year established in a base rate case or for additional investment necessary to
47 serve existing TSG-NF customers after the end of the base rate case test
48 year. For this purpose, new customers are defined as gas service to a
49 separately metered new account for equipment that did not previously

50 utilize gas delivery service from PSE&G. As described in the first situation
51 above, TSG-NF net revenues are defined as total revenues, other than that
52 related to the commodity, SUT, SBC, TAC, and GPRC charges. The
53 annual amount retained by the Company is equal to 20% of the cost of the
54 new facilities required to serve all such customers, less any direct customer
55 contribution toward these costs, and is used to cover the costs associated
56 with these new customers. As in the first situation, the cost recovery
57 associated with these customers remains in force until the effective date of
58 new gas base rates in the Company's next rate case proceeding. At the time
59 new gas base rates go into effect, the migration margin numbers'
60 calculation will be reset to zero and the MAC will be calculated with new
61 rates and migration volumes.

62

63 **Q. Please describe the components of the revenue requirements of the**
64 **2019 Annual MAC filing.**

65 **A.** In this 2019 MAC filing, for the period ending April 30, 2019, the actual
66 MAC balance is over-collected by \$12.42 million, excluding interest as detailed
67 on Schedule SS-MAC-3, column 10.

68 At the end of September 2019, the MAC balance is forecasted to be over-
69 collected by \$18.36 million, excluding interest as detailed on Schedule SS-MAC-
70 3, column 10. At the end of September 2019, the MAC balance including interest
71 is forecasted to be over-collected by \$20.28 million, as detailed on Schedule SS-
72 MAC-3, column 14.

73

74 **Q. Please describe the calculation of the MAC.**

75 A. The calculation of the MAC credit of (\$0.008510) per therm including SUT
76 is shown in the following table:

1	Forecasted Total Over/(Under) Recovery Per Schedule SS-MAC-2	\$20,284,510
2	Forecasted Therms for October 1, 2019 to September 30, 2020	2,541,496,163
3=(1/2)*-1	Margin Adjustment Charge (Per Therm)	(\$0.007981)
4=3*1.06625	Margin Adjustment Charge (Including Sales and Use Tax)	(\$0.008510)

77

78 **Q. Why is PSE&G not proposing to implement the calculated rate of**
79 **(\$0.008510) per therm including SUT?**

80 A. The newly calculated rate of (\$0.008510) per therm including SUT would
81 result in a rate decrease of \$0.001752 per therm from the current rate of
82 (\$0.006758) per therm including SUT. However, the over-collection at the end of
83 September 2019 is dependent on the forecasted margins from many large
84 customers, which tend to be extremely volatile and could be adversely impacted
85 by many unforeseeable factors, such as economic uncertainty. The actual over-
86 recovery including interest as of April 30, 2019 is \$14.12 million. If the Company
87 were to request new rates based on its actual over-recovery as of April 30, 2019
88 instead of forecasting through September 2019, it would be requesting an increase
89 in the current rate. As this matter is filed on an annual basis, the Company
90 believes that given this uncertainty, it is prudent that the current rate of
91 (\$0.006758) per therm including SUT remain in effect. Should the currently
92 forecasted balance at September 2019 reflect a larger credit when the data is

93 updated for actuals, the Company can implement the larger credit for its
94 customers.

95

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

97 **A.** Yes, it does.

98

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
5 Strategic Issues Committee, the Edison Electric Institute's Rates and Regulatory Affairs
6 Committee and the New Jersey Utility Association (NJUA) Finance and Regulatory
7 Committee.

8 **EDUCATIONAL BACKGROUND**

9 I hold a B.S. in Mechanical Engineering from Worcester Polytechnic
10 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	EO18101113 - GO18101112	oral	May-19	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E	ER19040530	written	Apr-19	Madison & Marshall - Initial Filing
Public Service Electric & Gas Company	G	GR19040522	written	Apr-19	Gas System Modernization Program (GSMP) - Final Roll-In
Public Service Electric & Gas Company	E	ER19040523	written	Apr-19	Non-Utility Generation Charge (NGC) / Cost Recovery
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	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, S4All, 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
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 and 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	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		Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
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 - Margin Adjustment Clause
 Clause Balances Over/(Under) and
 Cummulative Interest Summary
 Actuals Through April 2019**

		(1) Column 10 from Schedule SS-MAC-3	(2) Column 13 from Schedule SS-MAC-3	(3) Col 1 + Col 2 + Col 3
	<u>Month</u>	<u>MAC Balance Over/(Under)</u>	<u>Cumulative Interest</u>	<u>Total Over/(Under) Recovery</u>
A c t u a l s	Sep-18	\$14,350,159	\$1,417,527	\$15,767,686
	Oct-18	\$14,324,579	\$1,460,061	\$15,784,640
	Nov-18	\$14,329,460	\$1,502,565	\$15,832,025
	Dec-18	\$14,046,019	\$1,544,655	\$15,590,674
	Jan-19	\$12,770,177	\$1,584,433	\$14,354,609
	Feb-19	\$12,719,803	\$1,622,243	\$14,342,045
	Mar-19	\$12,452,418	\$1,659,581	\$14,111,999
	Apr-19	\$12,424,164	\$1,696,482	\$14,120,645
	May-19	\$13,488,405	\$1,734,919	\$15,223,324
	Jun-19	\$14,734,103	\$1,776,782	\$16,510,885
	Jul-19	\$15,924,778	\$1,822,259	\$17,747,037
	Aug-19	\$17,114,965	\$1,871,268	\$18,986,233
Sep-19	\$18,360,619	\$1,923,890	\$20,284,510	

forecast

Table in Swetz Testimony

1	Forecasted Total Over/(Under) Recovery Per Schedule SS-MAC-2	\$20,284,510
2	Forecasted Therms for October 1, 2019 to September 30, 2020	2,541,496,163
3=(1/2)*-1	Margin Adjustment Charge (Per Therm)	(\$0.007981)
4=3*1.06625	Margin Adjustment Charge (Including Sales and Use Tax)	(\$0.008510)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 43

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

Superseding

XXX Revised Sheet No. 43

MARGIN ADJUSTMENT CHARGE

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

Margin Adjustment Charge (\$0.006338)

Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT).....(\$0.006758)

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.