

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ELECTRIC BASE RATE ADJUSTMENTS PURSUANT TO THE MADISON 4KV SUBSTATION PROJECT (M&M 2019 RATE FILING)

Notice of a Filing and Notice of Public Hearings | Docket No. ER19040530

TAKE NOTICE that, on April 30, 2019 Public Service Electric and Gas Company (Public Service, PSE&G, the Company) filed a Petition and supporting documentation with the New Jersey Board of Public Utilities (Board, BPU) seeking Board approval for electric base rate changes to provide for cost recovery associated with the Company's Madison & Marshall (M&M) Substations.

The filing reflects PSE&G's recovery of and on the capital investments associated with the M&M substations that were incurred from October 1, 2014 through June 30, 2019. The substations were initially part of the Energy Strong Program (ES) approved by the Board Docket Nos. EO13020155 & GO13020156 on May 21, 2014. However, due to a scope change related to the raise and rebuild of the M&M Substations, the investments were to be recovered outside of ES. This filing is being made pursuant an Agreement Regarding Withdrawal of Objection (Agreement), dated November 30, 2016. The agreement allowed the Company to reflect reasonable and prudent costs associated with the M&M substations to be reflected in base rates so long as it went into service more than six (6) months but less than one year after the test year in the Company's 2018 Base Rate Case.

Under the Company's proposal, PSE&G seeks Board approval to recover in base rates an estimated annual revenue increase associated with the capitalized investment costs of the M&M substations incurred through June 30, 2019 of approximately \$7.4 million from the Company's electric customers.

For illustrative purposes the estimated Base Rates effective October 1, 2019 including New Jersey Sales and Use Tax (SUT) for residential Rate Schedule RS are shown in Table #1.

Table #2 provides customers with the approximate impact of the proposed increase in rates relating to the M&M substations, 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.

Under the Company's proposal, a typical residential electric customer using 740 kilowatt-hours per summer month and 6,920 kilowatt-hours on an annual basis would see an increase in the annual bill from \$1,262.72 to \$1,265.96, or \$3.24 or approximately 0.26%. The approximate effect of the proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #3.

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 filing 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.

Copies of the Company's filing are available for review at the Company's Customer Service Centers (addresses located here: <https://nj.pseg.com/customerservicelocations>), 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, New Jersey 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 have been scheduled on the Company's filing 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.

August 22, 2019 4:30 and 5:30 PM Burlington County Administration Building Board of Chosen Freeholders Board Room 1 st Floor 49 Rancocas Road Mt. Holly, NJ 08060	August 27, 2019 4:30 and 5:30 PM Bergen County Administration Building Freeholders Public Meeting Room Room 540 1 Bergen County Plaza Hackensack, NJ 07601	August 29, 2019 4:30 and 5:30 PM Middlesex County Administration Building Freeholders Meeting Room 1 st Floor Meeting Room 75 Bayard Street New Brunswick, NJ 08901
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In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including 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, 3rd 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 – ELECTRIC BASE RATES For Residential Customers
Rates if Effective October 1, 2019

Electric			Base Rates	
			Charges in Effect June 1, 2019 Including SUT	Proposed Charges in Effect October 1, 2019 Including SUT
RS	Service Charge	per month	\$4.95	\$4.95
	Distribution 0-600, June-September	\$/kWh	0.039706	0.040797
	Distribution 0-600, October-May	\$/kWh	0.035553	0.035553
	Distribution over 600, June-September	\$/kWh	0.043780	0.044871
	Distribution over 600, October-May	\$/kWh	0.035553	0.035553

Table #2 – Proposed Percentage Change By Customer Class For Electric Service For
Rates if Effective October 1, 2019

Electric		
	Rate Class	Percent Change
Residential	RS	0.25%
Residential Heating	RHS	0.26
Residential Load Management	RLM	0.17
Water Heating	WH	0.26
Water Heating Storage	WHS	0.57
Building Heating	HS	0.08
General Lighting & Power	GLP	0.07
Large Power & Lighting- Sec.	LPL-S	0.05
Large Power & Lighting- Pri.	LPL-P	0.03
High Tension-Subtr.	HTS-S	0.04
High Tension-HV	HTS-HV	0.02
Body Politic Lighting	BPL	0.01
Body Politic Lighting-POF	BPL-POF	0.03
Private Street & Area Lighting	PSAL	0.01
Overall		0.13

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

Table #3 – Residential Electric Service For Rates if Effective October 1, 2019

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 Increase Would Be:	And Your Monthly Summer Percent Increase Would Be:
1,732	185	\$37.23	\$37.43	\$0.20	0.54%
3,464	370	69.52	69.92	0.40	0.58
6,920	740	135.98	136.79	0.81	0.60
7,800	803	147.82	148.70	0.88	0.60
12,500	1,337	248.28	249.74	1.46	0.59

- (1) Based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2019 and assumes that the customer receives BGS-RSCP service from Public Service Electric and Gas Company.
- (2) Same as (1) except includes the proposed change for the Madison and Marshall Substations.