

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY GAS CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF THE NEXT PHASE OF THE GAS SYSTEM MODERNIZATION PROGRAM AND ASSOCIATED COST RECOVERY MECHANISM ("GSMP II")

Notice of Filing and Notice of Public Hearings | Docket No. GR19060766

TAKE NOTICE that, on June 28, 2019 Public Service Electric and Gas Company ("Public Service," "PSE&G," or the "Company") filed a Petition and supporting documentation with the New Jersey Board of Public Utilities ("Board" or "BPU"). The Company is seeking Board approval to implement and administer an extension to PSE&G's Gas System Modernization Program II ("GSMP II" or the "Program") and to approve an associated cost recovery mechanism.

On May 22, 2018 the Board issued an Order ("GSMP II Order") approving the Program in Docket No. GR17070776. The GSMP II Order provided approval to invest up to \$1.575 billion to be recovered through the GSMP II rate recovery mechanism in order to replace PSE&G's cast iron mains and unprotected steel mains and services; address the abandonment of district regulators associated with this cast iron and unprotected steel plant; rehabilitate large diameter elevated pressure cast iron; upgrade utilization pressure portions of the system to elevated pressure; replace limited amounts of protected steel and plastic mains; and relocate inside meter sets.

Under the Company's proposal, PSE&G seeks Board approval to recover in base rates an estimated annual revenue increase of approximately \$19.7 million associated with actual Program investments of \$64.5 million through May 31, 2019 and forecasted investments of \$129.6 million through August 31, 2019.

For illustrative purposes, the estimated base rates effective December 1, 2019 including New Jersey Sales and Use Tax ("SUT") for Residential Rate Schedule RSG are shown in Table #1.

Table #2 provides customers with the approximate impact of the proposed increase in rates relating to the Gas System Modernization Program II, 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 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 \$566.02 to \$572.86, or \$6.84 or approximately 1.21%. Also, 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 \$892.45 to \$904.13, or \$11.68 or approximately 1.31%. The approximate effect of the proposed gas base rate change on typical gas 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 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.

October 2, 2019
4:30 and 5:30 pm
Middlesex County
Administration Building
Freeholders Meeting Room
1st Floor Meeting Room
75 Bayard Street
New Brunswick, NJ 08901

October 7, 2019
4:30 and 5:30 pm
Burlington County
Administration Building
Board of Chosen Freeholders
Board Room 1st Floor
49 Rancocas Road
Mt. Holly, NJ 08060

October 17, 2019
4:30 and 5:30 pm
Bergen County
Administration Building
Freeholders Public Meeting Room
Room 540
1 Bergen County Plaza
Hackensack, NJ 07601

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, to the Board Secretary at the address below, 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 or email aida.camacho@bpu.nj.gov whether or not they attend the public hearings.

Table #1 – BASE RATES For Residential RSG Customers Rates if Effective December 1, 2019

Rate Schedule			Base Rates	
			Charges in Effect September 1, 2019 Including SUT	Estimated Charges Including SUT
RSG	Service Charge	per month	\$8.62	\$8.62
	Distribution Charge	\$/Therm	0.368200	0.379491
	Off-Peak Use	\$/Therm	0.184100	0.189746
	Basic Gas Supply Service-RSG (BGSS-RSG)	\$/Therm	0.349059	0.348995

Table #2 – Proposed Percentage Change in Revenue by Customer Class For Gas Service For Rates if Effective December 1, 2019

	Rate Class	Percent Change
Residential Service	RSG	1.29
General Service	GSG	0.85
Large Volume Service	LVG	0.24
Street Lighting Service	SLG	0.05
Firm Transportation Gas Service	TSG-F	0.21
Non-Firm Transportation Gas Service	TSG-NF	0.22
Cogeneration Interruptible Service	CIG	0.32
Contract Services	CSG	0.19
Overall		0.89

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

Table #3 – Residential Gas Service For Rates if Effective December 1, 2019

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	\$27.92	\$28.19	\$0.27	0.97%
340	50	47.17	47.73	0.56	1.19
610	100	87.00	88.12	1.12	1.29
1,040	172	143.46	145.39	1.93	1.35
1,210	200	165.37	167.62	2.25	1.36
1,816	300	243.75	247.12	3.37	1.38

- (1) Based upon Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect September 1, 2019 and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes change for GSMP II Base Rate Adjustments.



PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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