

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 GAS BASE RATE ADJUSTMENTS PURSUANT TO THE GAS SYSTEM MODERNIZATION PROGRAM II

Notice of Filing and Notice of Public Hearings | Docket No. GR20060464

PLEASE TAKE NOTICE that on June 30, 2020, Public Service Electric and Gas Company (“Public Service,” “PSE&G,” or “Company”) filed a petition and supporting documentation with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking Board approval for gas base rate changes to provide for cost recovery associated with the extension of the Company’s Gas System Modernization Program (“GSMP II” or “Program”).

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 utilization pressure cast iron mains and unprotected steel mains and associated services; upgrade utilization pressure portions of the system to elevated pressure; and install excess flow valves and eliminate district regulators, where applicable.

Under the Company’s proposal, PSE&G seeks Board approval to recover in base rates an estimated annual revenue increase of approximately \$19.9 million associated with \$190.1 million of actual Program investments through August 31, 2020.

For illustrative purposes, the estimated base rates effective December 1, 2020, 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 GSMP 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 increase in the annual bill from \$554.76 to \$561.60, or \$6.84, or approximately 1.23%. 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 \$872.72 to \$884.40, or \$11.68, or approximately 1.34%. 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.

The Company’s filing is available for review online at the PSEG website at <http://www.pseg.com/pseandgfilings>.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 pandemic, telephonic public hearings have been scheduled on the following date and times so that members of the public may present their views on the Company’s filing.

Date: October 27, 2020

Times: 4:30 pm and 5:30 pm

Dial In: (888) 475-4499 (US Toll Free)

Meeting ID: 959 8372 1226 **Passcode:** 676562

Representatives from the Company, Board Staff, and the New Jersey Division of Rate Counsel will participate in the public hearings. Members of the public are invited to listen, and if they choose, express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. The Board is also accepting written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Email comments should be submitted to: board.secretary@bpu.nj.gov. Please include the name of the petition and the docket number when submitting comments. Written and emailed comments will be provided the same weight as statements made at the hearings. Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

Table #1 – BASE RATES For Residential RSG Customers Rates if Effective December 1, 2020

Rate Schedule			Base Rates	
			Charges in Effect September 1, 2020 Including SUT	Estimated Charges Including SUT
RSG	Service Charge	per month	\$8.62	\$8.62
	Distribution Charge	\$/Therm	0.395075	0.406370
	Off-Peak Use	\$/Therm	0.197538	0.203186
	Basic Gas Supply Service-RSG (BGSS-RSG)	\$/Therm	0.320069	0.320004

(1) Based upon Delivery Rates and Basic Gas Supply Service (“BGSS-RSG”) charges in effect as of September 1, 2020 and assumes that the customer receives commodity service from Public Service.

Table #2 – Proposed Percentage Change in Revenue by Customer Class For Gas Service For Rates if Effective December 1, 2020

	Rate Class	Percent Change
Residential Service	RSG	1.32
General Service	GSG	0.97
Large Volume Service	LVG	0.33
Street Lighting Service	SLG	0.06
Firm Transportation Gas Service	TSG-F	0.24
Non-Firm Transportation Gas Service	TSG-NF	0.27
Cogeneration Interruptible Service	CIG	0.39
Contract Services	CSG	0.17
	Overall	0.98

The percent increases noted above are based upon September 1, 2020 Delivery Rates 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, 2020

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	\$27.25	\$27.53	\$0.28	1.03%
340	50	45.86	46.43	0.57	1.24
610	100	84.15	85.27	1.12	1.33
1,040	172	138.52	140.46	1.94	1.40
1,210	200	159.64	161.88	2.24	1.40
1,816	300	235.16	238.53	3.37	1.43

(1) Based upon Delivery Rates and Basic Gas Supply Service (“BGSS-RSG”) charges in effect as of September 1, 2020 and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG Bill Credits.

(2) Same as (1) except includes change for GSMP II Base Rate Adjustments.

