

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC AND GAS CUSTOMERS
IN THE MATTER OF THE 2017/2018 ANNUAL COMPLIANCE FILINGS FOR A CHANGE IN THE STATEWIDE ELECTRIC AND GAS PERMANENT
UNIVERSAL SERVICE FUND PROGRAM FACTORS WITHIN THE ELECTRIC AND GAS SOCIETAL BENEFITS CHARGES RATES PURSUANT TO
N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1

Notice of a Filing And Notice of Public Hearings | Docket No. ER18060661

TAKE NOTICE that, on June 22, 2018, Public Service Electric and Gas Company (Public Service or the Company) made an Annual Compliance Filing and provided supporting documentation for changes in the Universal Service Fund (USF) and Lifeline components of the electric and gas Societal Benefits Charges (SBC). The requested changes result in decreases to the electric USF and Lifeline components and increases to the gas USF and Lifeline components. The requested change in the USF and Lifeline components is made pursuant to New Jersey Board of Public Utilities' (Board or BPU) Orders and includes the recovery of funding for the USF Program through uniform statewide rates. The USF Program was established by the Board, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq. to provide funds to assist qualifying low-income individuals in paying their energy bills. The State of New Jersey's Department of Community Affairs (DCA) is the administrator of the USF Program and the New Jersey Department of Human Services (DHS) is the administrator of the Lifeline programs. DCA and DHS authorize the disbursement of benefits to eligible customers in the respective programs.

Based upon the results and available estimates known to date for the 2017/2018 USF program year and the available estimates for the 2018/2019 USF Program year, it is anticipated that the USF rates should be set to collect \$106.3 million on a statewide basis and that the Lifeline rates should be set to collect \$74.6 million on a statewide basis. Of the total estimated statewide USF cost of \$106.3 million, \$84.6 million would be recovered through electric rates with the remaining \$21.7 million recovered through gas rates. Of an anticipated \$74.6 million of the statewide Lifeline program, \$50.7 million would be recovered through electric rates with the remaining \$23.9 million recovered through gas rates.

In its June 22, 2005, Universal Service Fund Order, the Board directed that filing requirements for rate setting, including notice, public hearings and tariffs should be made by July 1, 2006, and each year thereafter. In accordance with that Order, the Company made a filing with the Board in June 2018 requesting to change its current USF and Lifeline program charges, as described, to become effective on October 1, 2018.

The proposed statewide electric and gas charges for customers, if approved by the Board, are shown in Table #1. The requests will not result in any profit to Public Service. The revenues received under the proposed USF and Lifeline program factors are designed to permit Public Service to recover its costs associated with these programs. Actual program costs will be reconciled with the revenues received through the USF and Lifeline program charges in the next scheduled annual USF and Lifeline filing to be made on or before July 1, 2019.

The effect of the proposed changes in the electric and gas USF and Lifeline program charges on typical electric and gas residential monthly bills, if approved by the Board, is illustrated in Tables #2 and #3.

Based on the filing, a typical residential electric customer using 750 kilowatt-hours per summer month and 7,200 kilowatt-hours on an annual basis would see a decrease in the annual bill from \$1,215.76 to \$1,213.96, or \$1.80, or approximately 0.15%. The Statewide average residential electric customers using 7,800 kilowatt-hours on an annual basis would see a decrease in the annual bill from \$1,316.80 to \$1,314.85, or \$1.95, or approximately 0.15%. The percentage change applicable to specific customers will vary according to the applicable rate schedule and the level of the customers' 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 \$558.56 to \$559.50, or \$0.94 or approximately 0.17%. Moreover, under the Company's proposal, a typical residential gas heating customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see an increase in the annual bill from \$879.16 to \$880.72, or \$1.56, or approximately 0.18%. The Statewide average residential gas customer using 1,000 therms on an annual basis would see an increase in the annual bill from \$870.44 to \$872.06, or \$1.62, or approximately 0.19%.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those 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 by the public at the Company's Customer Service Centers, online at the PSEG website at <http://www.pseg.com/pseandgfiling> and at the Board of Public Utilities, 44 South Clinton Avenue, Seventh Floor, Trenton, NJ 08625-0350.

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 21, 2018
4:30 and 5:30 PM
Middlesex County
Administration Building
Freeholders Meeting Room
1st Floor Meeting Room
75 Bayard Street
New Brunswick, NJ 08901

August 27, 2018
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, 2018
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

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 to the Board's Secretary at the following address. 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.

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. To review PSE&G's rate filing, visit <http://www.pseg.com/pseandgfiling>.

Table #1 – Universal Service and Lifeline Fund Components of Societal Benefits Charge

	Present	Present (Incl. SUT)	Proposed	Proposed (Incl. SUT)
USF-Electric per kWhr	\$0.001391	\$0.001483	\$0.001178	\$0.001256
USF-Gas per therm	0.003600	0.003800	0.004600	0.004900
Lifeline-Electric per kWhr	0.000727	0.000775	0.000706	0.000753
Lifeline-Gas per therm	0.004600	0.004900	0.005100	0.005400

Table #2 – Residential Electric Service

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr 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 Percent Change Would Be:
1,920	200	\$35.33	\$35.29	\$(0.04)	(0.11%)
4,320	450	76.47	76.36	(0.11)	(0.14)
7,200	750	127.90	127.71	(0.19)	(0.15)
7,800	803	137.35	137.15	(0.20)	(0.15)
13,160	1,360	236.69	236.35	(0.34)	(0.14)

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2018, and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes the changes in USF and Lifeline components of the SBC.

Table #3 – 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 Percent Change Would Be:
180	25	\$26.06	\$26.10	\$0.04	0.15%
360	50	46.30	46.38	0.08	0.17
610	100	88.48	88.64	0.16	0.18
1,010	165	142.23	142.49	0.26	0.18
1,224	200	171.18	171.50	0.32	0.19
1,836	300	253.84	254.32	0.48	0.19

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect June 1, 2018, and assumes that the customer receives BGSS-RSG service from Public Service.
- (2) Same as (1) except includes the changes in USF and Lifeline components of the SBC.