

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") (DECEMBER 2019 GSMP II RATE FILING)

Notice of Filing and Notice of Public Hearings | Docket No. GR19120002

TAKE NOTICE that on December 30, 2019, 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 Company's Gas System Modernization Program II ("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 \$18.2 million associated with actual Program investments of \$176.3 million through February 29, 2020.

For illustrative purposes, the estimated base rates effective June 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 initial increase in the annual bill from \$554.26 to \$560.64, or \$6.38 or approximately 1.15%. 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 \$871.88 to \$882.76, or \$10.88 or approximately 1.25%. 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>.

Telephonic public hearings have been scheduled on the following dates and times so that members of the public may present their views on the Company's filing. 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.

May 11, 2020
4:30 and 5:30 PM

May 12, 2020
4:30 and 5:30 PM

May 13, 2020
4:30 and 5:30 PM

Dial In: 877-692-8955
Access Code: 4800266

Dial In: 877-692-8955
Access Code: 2208992

Dial In: 877-692-8955
Access Code: 2965215

To encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreters or listening devices, 48 hours prior to the above hearings to the Board Secretary at the below email address.

Customers may also file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, 9th Floor, Trenton, New Jersey, 08625-0350 ATTN: Secretary Aida Camacho-Welch, or email board.secretary@bpu.nj.gov, whether or not they participate in the public hearings. Written comments should reference the name of the petition and the above docket number in the subject line. Written comments will be provided the same weight as statements made at the hearings.

Table #1 BASE RATES for Residential RSG Customers Rates if Effective June 1, 2020

Rate Schedule			Base Rates	
			Charges in Effect March 1, 2020 Including SUT	Estimated Charges Including SUT
RSG	Service Charge	per month	\$8.62	\$8.62
	Distribution Charge	\$/Therm	0.384603	0.395075
	Off-Peak Use	\$/Therm	0.192301	0.197538
	Basic Gas Supply Service-RSG (BGSS-RSG) (Rate shown excludes bill credit for March 2020 usage)	\$/Therm	0.320127	0.320069

Table #2 Proposed Percentage Change in Revenue by Customer Class for Gas Service for Rates if Effective June 1, 2020

	Rate Class	Percent Change
Residential Service	RSG	1.21
General Service	GSG	0.88
Large Volume Service	LVG	0.25
Street Lighting Service	SLG	0.05
Firm Transportation Gas Service	TSG-F	0.21
Non-Firm Transportation Gas Service	TSG-NF	0.23
Cogeneration Interruptible Service	CIG	0.33
Contract Services	CSG	0.13
Overall		0.88

The percent increases noted above are based upon March 1, 2020 Delivery Rates, the applicable Basic Gas Supply Service ("BGSS") charges, and assume that customers receive commodity service from Public Service Electric and Gas Company.

Table #3 Residential Gas Service for Rates if Effective June 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	\$27.23	\$27.49	\$0.26	0.95%
340	50	45.83	46.34	0.51	1.11
610	100	84.07	85.12	1.05	1.25
1,040	172	138.39	140.18	1.79	1.29
1,210	200	159.49	161.57	2.08	1.30
1,816	300	234.94	238.06	3.12	1.33

- (1) Based upon Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect March 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.



PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Danielle Lopez, Esq.
Assistant General Regulatory Counsel