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June 1, 2021

In the Matter of the Petition of  
Public Service Electric and Gas Company's  
2021 Annual Margin Adjustment Charge ("MAC")

BPU Docket No. \_\_\_\_\_

***VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL***

Aida Camacho-Welch, Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of petitioner Public Service Electric and Gas Company is the Petition, Testimony of Stephen Swetz, and Supporting Schedules in the above-referenced proceeding.

Please feel to contact me with any questions on this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", with a long, sweeping flourish extending from the end.

Attachment

C Attached Service List (electronic only)

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STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF PUBLIC SERVICE	)	
ELECTRIC AND GAS COMPANY'S	)	PETITION
2021 ANNUAL MARGIN	)	DOCKET NO. _____
ADJUSTMENT CHARGE (MAC)	)	

Public Service Electric and Gas Company ("PSE&G" or "Company"), a public utility of the State of New Jersey, with its principal offices for the transaction of business at 80 Park Plaza Newark, New Jersey 07101, hereby petitions the New Jersey Board of Public Utilities ("Board") as follows:

PSE&G, as a combination electric and gas utility, is engaged in the purchase, transmission, distribution, and sale of natural gas for residential, commercial and industrial customers in New Jersey, in addition to its electric operations.

**MARGIN ADJUSTMENT CHARGE ("MAC")**

1. On January 9, 2002, as a result of the gas base rate case under BPU Docket No. GR01050328, the MAC was implemented to credit the net revenues associated with Non-Firm Transportation Gas Service ("TSG-NF") rates to customers on Rate Schedules Residential Service ("RSG"), General Service ("GSG"), Large Volume Service ("LVG"), Street Lighting Service ("SLG"), and Firm Transportation Gas Service ("TSG-F").

There are two limited situations when some or all of the revenue associated with certain specific TSG-NF customers flow to earnings instead of being included in the

MAC and distributed to customers on RSG, GSG, LVG, SLG, and TSG-F rate schedules.

These are:

1. When gas applications formerly being served under Rate Schedule LVG switch to Rate Schedule TSG-NF after the effective date of a base rate case decision. The total TSG-NF revenues from these switching customers, other than that related to the commodity, Sales and Use Tax (“SUT”), Societal Benefits Charge (“SBC”), Tax Adjustment Credit (“TAC”), and Green Programs Recovery Charge (“GPRC”), flow to earnings in lieu of being included in the MAC, until the effective date of new rates in the Company’s next base rate case. These revenues will be used to recover costs associated with the infrastructure (service, mains, meters, etc.) already installed to provide firm service at Rate Schedule LVG, since TSG-NF revenues no longer flow to the Company once the customer switches from LVG to TSG-NF. The margin treatment for customers switching from TSG-NF to LVG is reciprocal for customers switching from LVG to TSG-NF.
2. When the Company retains a portion of the TSG-NF revenues for new TSG-NF customers whose service commences on or after the end of the test year established in a base rate case or for additional investment necessary to serve existing TSG-NF customers after the end of the base rate case test year. For this purpose, new customers are defined as gas service to a separately metered new

account for equipment that did not previously utilize gas delivery service from PSE&G. As described in the first situation above, TSG-NF net revenues are defined as total revenues, other than that related to the commodity, SUT, SBC, TAC, and GPRC charges. The annual amount retained by the Company is equal to twenty-percent (20%) of the cost of the new facilities required to serve all such customers, less any direct customer contribution toward these costs, and is used to cover the costs associated with these new customers. As in the first situation, the cost recovery associated with these customers remains in force until the effective date of new rates in the Company's next base rate case proceeding.

In the most recent MAC proceeding of 2020, the MAC credit of (\$0.006951) per therm including SUT, was approved effective February 1, 2021.

### **2021 ANNUAL MAC FILING**

This annual MAC filing petition is supported by the direct testimony of Stephen Swetz attached hereto as Attachment A, in which he recommends a MAC credit of (\$0.006207) per therm including SUT.

In this 2021 MAC filing, for the period ending April 30, 2021, the actual MAC balance is over-collected by \$10.89 million, excluding interest as detailed on Schedule SS-MAC-3, column 10.

At the end of the period ending September 2021, the MAC balance is forecasted to be over-collected by \$14.97 million, excluding interest as detailed on Schedule SS-MAC-3, column 10. The MAC balance including interest is forecasted to be over-collected \$15.05 million as detailed on Schedule SS-MAC-3, column 14. The newly calculated rate of (\$0.005821) per therm before SUT, would result in a rate increase of \$0.00070 per therm from the current rate of (\$0.006519) per therm including SUT or \$1,804,179 before SUT.

A typical residential gas heating customer that uses 172 therms in a winter month and 1,040 therms on an annual basis would see an increase to their current annual bill from \$895.42 to \$896.20, or \$0.78 or approximately 0.09% based upon rates in effect on June 1, 2021 and assuming the customer receives Basic Gas Supply (“BGS-RSG”) service from PSE&G. A clean and red tariff sheets for the current MAC are attached hereto as Attachment B.

Contained herein in Attachment C is a draft Form of Notice of Filing and of Public Hearings. This Form of Notice sets forth the requested changes to the gas rates and will be placed in newspapers having a circulation within the Company’s gas service territory upon receipt, scheduling, and publication of public hearing dates. Public hearings will be held telephonically. A Notice will be served on the County Executives and Clerks of all municipalities within the Company’s electric service territory upon scheduling of public hearing dates. In accordance with the Board’s recent Covid-19 order,<sup>1</sup> notice of this filing, the Petition,

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<sup>1</sup> See In the matter of the New Jersey Board of Public Utilities’ Response to the Covid-19 Pandemic for a Temporary Waiver of the Requirements for Certain Non-Essential Obligations, Docket No. EO20030254, dated March 19, 2020.

testimony, and schedules will be served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and upon the Director, Division of Rate Counsel, 140 East Front Street 4th Floor, Trenton, N.J. 08625 by electronic mail. Electronic copies of the Petition, testimony, and schedules will also be sent to the persons identified on the service list provided with this filing.

### COMMUNICATIONS

Communications and correspondence related to the Petition should be sent as follows:

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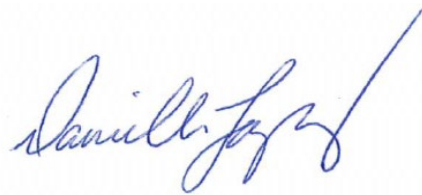
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**CONCLUSION**

**WHEREFORE**, PSE&G hereby requests that the Board issue a written Order by October 1, 2022 approving the Company's current MAC rate of (\$0.006207) per therm (including SUT) as reasonable and prudent at this time and, accordingly, modify the Tariff for Gas Service, B.P.U.N.J. No. 15 Gas, pursuant to N.J.S.A., 48:2-21 and 48:2-2.1.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



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Danielle Lopez  
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DATED: June 1, 2021  
Newark, New Jersey



[illegible]

Stephen Swetz of full age, being duly sworn according to law, on his oath  
deposes and says:

1. I am Stephen Swetz, Sr. Director - Corporate Rates and Revenue Requirements for PSEG Services Corporation.

2. I have read the annexed Petition and the matters contained therein, and they are true to the best of my knowledge and belief.

Robert Sweet

1                   **PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
2                   **DIRECT TESTIMONY**  
3                   **OF**  
4                   **STEPHEN SWETZ**  
5                   **SR. DIRECTOR - CORPORATE RATES AND REVENUE**  
6                   **REQUIREMENTS**

7   **Q.     Please state your name and affiliation.**

8   A.     My name is Stephen Swetz, and I am the Senior Director – Corporate Rates  
9   and Revenues Requirements for PSEG Services Corporation. My credentials are  
10   set forth in the attached Schedule SS-MAC-1.

11   **Q.     What is the purpose of your direct testimony in this proceeding?**

12   A.     The purpose of my testimony is to support Public Service Electric and Gas  
13   Company's ("PSE&G" or "Company") annual Margin Adjustment Charge  
14   ("MAC") filing. The testimony and accompanying schedules support a MAC credit  
15   of (\$0.006207) per therm including New Jersey Sales and Use Tax ("SUT") of  
16   6.625%.

17   **Q.     Please briefly discuss the history of the Margin Adjustment Charge.**

18   A.     On January 9, 2002 as a result of the gas base rate case under Board of Public  
19   Utilities ("BPU") Docket No. GR01050328, the MAC was implemented to credit  
20   the net revenues associated with Non-Firm Transportation Gas Service ("TSG-NF")  
21   rates to customers on Rate Schedules Residential Service ("RSG"), General Service  
22   ("GSG"), Large Volume Service ("LVG"), Street Lighting Service ("SLG"), and  
23   Firm Transportation Gas Service ("TSG-F").

24               There are two limited situations when some or all of the revenue  
25   associated with certain specific TSG-NF customers flow to earnings instead of being  
26   included in the MAC and distributed to customers on RSG, GSG, LVG, SLG and  
27   TSG-F rate schedules. These are:

- 28       1. When gas applications formerly being served under Rate Schedule LVG  
29       switch to Rate Schedule TSG-NF after the effective date of a base rate case  
30       decision, the total TSG-NF revenues from these switching customers, other  
31       than that related to the commodity, SUT, Societal Benefits Charge (“SBC”)  
32       Tax Adjustment Credit (“TAC”), and Green Programs Recovery Charge  
33       (“GPRC”), flow to earnings in lieu of being included in the MAC until the  
34       effective date of new rates in the Company’s next base rate case. These  
35       revenues will be used to recover costs associated with the infrastructure  
36       (service, mains, meters, etc.) already installed to provide firm service at Rate  
37       Schedule LVG, since TSG-NF revenues no longer flow to the Company once  
38       the customer switches from LVG to TSG-NF. The margin treatment for  
39       customers switching from TSG-NF to LVG is reciprocal for customers  
40       switching from LVG to TSG-NF.
- 41       2. When the Company retains a portion of the TSG-NF revenues for new TSG-  
42       NF customers whose service commences on or after the end of the test year  
43       established in a base rate case or for additional investment necessary to serve  
44       existing TSG-NF customers after the end of the base rate case test year. For  
45       this purpose, new customers are defined as gas service to a separately  
46       metered new account for equipment that did not previously utilize gas  
47       delivery service from PSE&G. As described in the first situation above,  
48       TSG-NF net revenues are defined as total revenues, other than that related to  
49       the commodity, SUT, SBC, TAC, and GPRC charges. The annual amount  
50       retained by the Company is equal to 20% of the cost of the new facilities

51 required to serve all such customers, less any direct customer contribution  
52 toward these costs, and is used to cover the costs associated with these new  
53 customers. As in the first situation, the cost recovery associated with these  
54 customers remains in force until the effective date of new gas base rates in  
55 the Company's next rate case proceeding. At the time new gas base rates go  
56 into effect, the migration margin numbers' calculation will be reset to zero  
57 and the MAC will be calculated with new rates and migration volumes. In  
58 the most recent MAC proceeding of 2020, the MAC credit was set at  
59 (\$0.006951) per therm including SUT.

60 **Q. Please describe the components of the revenue requirements of the 2020**  
61 **Annual MAC filing.**

62 A. In this 2021 MAC filing, for the period ending April 30, 2021, the actual  
63 MAC balance is over-collected by \$10.89 million, excluding interest as detailed on  
64 Schedule SS-MAC-3, column 10.

65 At the end of the period ending September 2021, the MAC balance is  
66 forecasted to be over-collected \$14.97 million, excluding interest as detailed on  
67 Schedule SS-MAC-3, column 10. The MAC balance including interest is forecasted  
68 to be over-collected by \$15.05 million as detailed on Schedule SS-MAC-3, column  
69 14.

70 **Q. Please describe the calculation of the MAC.**

71 A. The calculation of the MAC credit of (\$0.006207) per therm including SUT  
72 is shown in the following table:

1	Forecasted Total Over/(Under) Recovery Per Schedule SS-MAC-2	\$15,046,820
2	Forecasted Therms for October 1, 2021 to September 30, 2022	2,584,783,743
3=(1/2)*-1	Margin Adjustment Charge (Per Therm)	(\$0.005821)
4=3*1.06625	Margin Adjustment Charge (Including Sales and Use Tax)	(\$0.006207)

74 **Q. What is the revenue impact of the revised MAC credit described above?**

75 A. The proposed decrease of the MAC credit from (\$0.006519) without SUT  
76 ((\$0.006951) with SUT) to (\$0.005821) without SUT ((\$0.006207) with SUT),  
77 results in a decrease in the credit of approximately \$1.80 million per year.

78 **Q. Does this conclude your testimony?**

79 A. Yes, it does.



1 unbundling electric rates and Off-Tariff Rate Agreements. I have had a leadership role in  
2 various economic analyses, asset valuations, rate design, pricing efforts and cost of service  
3 studies.

4 I am an active member of the American Gas Association's Rate and Strategic  
5 Issues Committee, the Edison Electric Institute's Rates and Regulatory Affairs Committee  
6 and the New Jersey Utility Association (NJUA) Finance and Regulatory Committee.

7 **EDUCATIONAL BACKGROUND**

8 I hold a B.S. in Mechanical Engineering from Worcester Polytechnic  
9 Institute and an MBA from Fairleigh Dickinson University.

## LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	G		written	Jun-21	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E		written	May-21	Community Solar Energy Program
Public Service Electric & Gas Company	E/G	GR20120763	written	Dec-20	Remediation Adjustment Charge-RAC 28
Public Service Electric & Gas Company	E	ER20120736	written	Nov-20	The Second Energy Strong Program (Energy Strong II)
Public Service Electric & Gas Company	E/G	ER20100685 & GR20100686	written	Oct-20	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E	ER20100658	written	Oct-20	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER20060467 & GR20060468	written	Jun-20	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR20060470	written	Jun-20	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR20060384	written	Jun-20	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER20040324	written	Apr-20	Transitional Renewable Energy Certificate Program (TREC)
Public Service Electric & Gas Company	E/G	GR20010073	written	Jan-20	Remediation Adjustment Charge-RAC 27
Public Service Electric & Gas Company	G	GR19120002	written	Dec-19	Gas System Modernization Program II (GSMPII) - Second Roll-In
Public Service Electric & Gas Company	E/G	ER19091302 & GR19091303	written	Aug-19	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER19070850	written	Jul-19	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER19060764 & GR19060765	written	Jun-19	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR19060766	written	Jun-19	Gas System Modernization Program II (GSMPII) - First Roll-In
Public Service Electric & Gas Company	G	GR19060761	written	Jun-19	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E	ER19060741	written	Jun-19	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	oral	Jun-19	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR19060698	written	May-19	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER19040523	written	May-19	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	oral	May-19	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E	ER19040530	written	Apr-19	Madison 4kV Substation Project (Madison & Marshall)
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	written	Dec-18	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E/G	GR18121258	written	Nov-18	Remediation Adjustment Charge-RAC 26
Public Service Electric & Gas Company	G	GR18070831	written	Jul-18	Gas System Modernization Program (GSMP) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER18070688 - GR18070689	written	Jun-18	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER18060681	written	Jun-18	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR18060675	written	Jun-18	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	written	Jun-18	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR18060605	written	Jun-18	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER18040358 - GR18040359	written	Mar-18	Energy Strong / Revenue Requirements & Rate Design - Eighth Roll-in
Public Service Electric & Gas Company	E/G	ER18030231	written	Mar-18	Tax Cuts and Job Acts of 2017
Public Service Electric & Gas Company	E/G	GR18020093	written	Feb-18	Remediation Adjustment Charge-RAC 25
Public Service Electric & Gas Company	E/G	ER18010029 and GR18010030	written	Jan-18	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER17101027	written	Sep-17	Energy Strong / Revenue Requirements & Rate Design - Seventh Roll-in
Public Service Electric & Gas Company	G	GR17070776	written	Jul-17	Gas System Modernization Program II (GSMP II)
Public Service Electric & Gas Company	G	GR17070775	written	Jul-17	Gas System Modernization Program (GSMP) - Second Roll-In
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 - GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jun-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 - GR17030325	written	Mar-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Mar-17	Energy Efficiency 2017 Program
Public Service Electric & Gas Company	E/G	ER17020136	written	Feb-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR16111064	written	Nov-16	Remediation Adjustment Charge-RAC 24
Public Service Electric & Gas Company	E	ER16090918	written	Sep-16	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16080785	written	Aug-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Jul-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Jul-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER16070613 - GR16070614	written	Jul-16	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER16070616	written	Jul-16	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jun-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	May-16	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 - GR16030273	written	Mar-16	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	Nov-15	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Sep-15	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757-GR15070758	written	Jul-15	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Jul-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jun-15	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15050558	written	May-15	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER15050558	written	May-15	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15030389-GR15030390	written	Mar-15	Energy Strong / Revenue Requirements & Rate Design - Second Roll-in
Public Service Electric & Gas Company	G	GR15030272	written	Feb-15	Gas System Modernization Program (GSMP)
Public Service Electric & Gas Company	E/G	GR14121411	written	Dec-14	Remediation Adjustment Charge-RAC 22
Public Service Electric & Gas Company	E/G	ER14091074	written	Sep-14	Energy Strong / Revenue Requirements & Rate Design - First Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Aug-14	EEE Ext II
Public Service Electric & Gas Company	G	ER14070656	written	Jul-14	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER14070651-GR14070652	written	Jul-14	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21



## LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER13070603-GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155-GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606-GR12070605	written	Jul-12	RGGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (EEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Aug-08	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

**PSE&G - Margin Adjustment Clause  
Clause Balances Over/(Under) and  
Cumulative Interest Summary  
Actuals Through April 2021**

Schedule SS-MAC-2

Page 1 of 1

		(1) Column 10 from Schedule SS-MAC-3	(2) Column 13 from Schedule SS-MAC-3	(3) Col 1 + Col 2 + Col 3
		<u>MAC Balance</u>		<u>Total Over/(Under)</u>
<u>Month</u>		<u>Over/(Under)</u>	<u>Cumulative Interest</u>	<u>Recovery</u>
<b>A c t u a l s</b>	Sep-20	\$15,996,713	\$194,150	\$16,190,863
	Oct-20	\$16,067,737	\$207,510	\$16,275,247
	Nov-20	\$15,911,413	\$220,835	\$16,132,248
	Dec-20	\$14,604,105	\$233,550	\$14,837,655
	Jan-21	\$12,574,409	\$244,874	\$12,819,284
	Feb-21	\$11,771,628	\$10,144	\$11,781,772
	Mar-21	\$11,309,253	\$19,761	\$11,329,015
	Apr-21	\$10,893,985	\$29,013	\$10,922,998
<b>Forecast</b>	May-21	\$11,439,687	\$38,318	\$11,478,005
	Jun-21	\$12,034,541	\$48,099	\$12,082,640
	Jul-21	\$12,906,046	\$58,491	\$12,964,537
	Aug-21	\$13,738,483	\$69,593	\$13,808,076
	Sep-21	\$14,965,267	\$81,553	\$15,046,820

**PSE&G - Margin Adjustment Clause**  
**Balance Over/(Under) and Interest Calculation**

Schedule SS-MAC-3

Page 1 of 1

**MAC Balance**

(\$'s - Unless noted)

Actuals Through April 2021

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
						Col 1 - Col 2 - Col 3 - Col 4 - Col 5			Col 6 + Col 7 + Col 8	Prior Col 10 + Col 9		(Prior Col 10 + Col 10 ) / 2 * (Col 11 / 12)	Prior Col 13 + Col 12	Col 10 + Col 13	
					<u>Carrying Charge on New TSG-NF Customer Connection Investments</u>	<u>TSG-NF Net Margin Revenue</u>	<u>Prior Period Billing Adj.</u>	<u>MAC Credit</u>	<u>MAC Over/(Under) Recovery</u>	<u>MAC Balance</u>	<u>Annual Interest Rate</u>	<u>Interest on Prospective Balance</u>	<u>Cummulative Interest</u>	<u>Total MAC + Accumulated Interest Over/(Under) Recovery</u>	
<u>Monthly Calculations</u>															
	Sep-20	\$1,523,893	\$443,368	\$11,276	(\$8,575)	\$0	\$1,077,825	\$191,386	(\$764,658)	\$504,553	\$15,996,713	1.00%	\$13,120	\$194,150	\$16,190,863
	Oct-20	\$1,551,637	\$447,181	\$11,862	(\$9,161)	\$0	\$1,101,755	\$140,605	(\$1,171,336)	\$71,024	\$16,067,737	1.00%	\$13,360	\$207,510	\$16,275,247
	Nov-20	\$2,382,862	\$708,123	\$16,243	(\$11,486)	\$0	\$1,669,982	\$90,219	(\$1,916,525)	(\$156,323)	\$15,911,413	1.00%	\$13,325	\$220,835	\$16,132,248
	Dec-20	\$2,701,823	\$662,906	\$17,919	(\$17,341)	\$0	\$2,038,339	\$98,781	(\$3,444,428)	(\$1,307,308)	\$14,604,105	1.00%	\$12,715	\$233,550	\$14,837,655
	Jan-21	\$2,611,440	\$725,878	\$22,192	(\$22,783)	\$0	\$1,886,153	\$148,696	(\$4,064,544)	(\$2,029,696)	\$12,574,409	1.00%	\$11,324	\$244,874	\$12,819,284
	Feb-21	\$2,610,662	\$835,434	\$23,636	(\$45,958)	\$0	\$1,797,550	\$132,293	(\$2,977,499)	(\$1,047,656)	\$11,771,628	1.00%	\$10,144	\$10,144	\$11,781,772
	Mar-21	\$2,141,452	\$604,742	\$21,371	(\$36,292)	\$0	\$1,551,632	\$244,279	(\$2,258,285)	(\$462,375)	\$11,309,253	1.00%	\$9,617	\$19,761	\$11,329,015
	Apr-21	\$1,193,585	\$418,806	\$19,074	(\$27,196)	\$0	\$782,901	\$149,613	(\$1,347,782)	(\$415,268)	\$10,893,985	1.00%	\$9,251	\$29,013	\$10,922,998
	May-21	\$1,685,256	\$541,368	\$19,074	(\$27,196)	\$0	\$1,152,010	\$63,806	(\$670,114)	\$545,702	\$11,439,687	1.00%	\$9,306	\$38,318	\$11,478,005
	Jun-21	\$1,473,354	\$463,382	\$19,074	(\$27,196)	\$0	\$1,018,095	\$74,853	(\$498,093)	\$594,854	\$12,034,541	1.00%	\$9,781	\$48,099	\$12,082,640
	Jul-21	\$1,732,070	\$549,389	\$19,074	(\$27,196)	\$0	\$1,190,803	\$111,050	(\$430,348)	\$871,505	\$12,906,046	1.00%	\$10,392	\$58,491	\$12,964,537
	Aug-21	\$1,595,067	\$501,929	\$19,074	(\$27,196)	\$0	\$1,101,260	\$133,995	(\$402,818)	\$832,437	\$13,738,483	1.00%	\$11,102	\$69,593	\$13,808,076
	Sep-21	\$2,049,204	\$599,547	\$19,074	(\$27,196)	\$0	\$1,457,779	\$191,386	(\$422,380)	\$1,226,785	\$14,965,267	1.00%	\$11,960	\$81,553	\$15,046,820

**Table in Swetz Testimony**

1	Forecasted Total Over/(Under) Recovery Per Schedule SS-MAC-2	\$15,046,820
2	Forecasted Therms for October 1, 2021 to September 30, 2022	2,584,783,743
3=(1/2)*-1	Margin Adjustment Charge (Per Therm)	(\$0.005821)
4=3*1.06625	Margin Adjustment Charge (Including Sales and Use Tax)	(\$0.006207)
5	Existing Margin Adjustment Charge	(\$0.006519)
6=(3-5)*1	Margin Adjustment Charge Increase / (Decrease)	\$1,804,179

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 43**

**B.P.U.N.J. No. 16 GAS**

**Superseding**

**XXX Revised Sheet No. 43**

**MARGIN ADJUSTMENT CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG, TSG-F  
(Per Therm)**

Margin Adjustment Charge .....	(\$0.005821)
	<del>(\$0.006519)</del>

Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT).....	(\$0.006207)
	<del>(\$0.006951)</del>

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 43**

**B.P.U.N.J. No. 16 GAS**

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This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

## **NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY GAS CUSTOMERS**

### **IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY'S 2021 ANNUAL MARGIN ADJUSTMENT CHARGE (MAC)**

#### **Notice of a Filing and Notice of Public Hearings**

#### **BPU Docket No. GRXXXXXXX**

**PLEASE TAKE NOTICE** that on June 1, 2021, Public Service Electric and Gas Company (Public Service or Company) filed a Petition with the New Jersey Board of Public Utilities (Board or BPU) requesting to reset the Company's Margin Adjustment Charge (MAC). On January 9, 2002, as a result of the gas base rate case under BPU Docket No. GR01050328, the MAC was implemented to credit the net revenues associated with Non-Firm Transportation Gas Service (TSG-NF) rates to customers on Rate Schedules Residential Service (RSG), General Service (GSG), Large Volume Service (LVG), Street Lighting Service (SLG) and Firm Transportation Gas Service (TSG-F). Approval of this filing would decrease the credit to the previously mentioned gas customers. The proposed MAC, if approved by the Board, is shown in Table # 1.

The approximate effect of the proposed changes on typical gas residential monthly winter bills, if approved by the Board, is illustrated in Table # 2.

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 \$568.00 to \$568.46, or \$0.46 or approximately 0.08%.

Moreover, under the Company's proposal, 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 increase in the annual bill from \$895.42 to \$896.20, or \$0.78 or approximately 0.09%.

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/pseandgfiling>.

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:

Time:

Dial In:

Access Code:

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. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, 48 hours prior to the above hearings to the Board Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

The Board will also accept 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. Emailed comments may be filed with the Secretary of the Board, in pdf or Word format to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov) or through the Board's External Access Portal after obtaining a MyNewJersey Portal ID. Once an account is established, you will need an authorization code which can be obtained upon request by emailing the Board's IT Helpdesk at [BPUITHELPDESK@bpu.nj.gov](mailto:BPUITHELPDESK@bpu.nj.gov). Detailed instructions for e-Filing can be found on the Board's home page at <https://www.nj.gov/bpu/agenda/efiling>.

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.

All comments should include the name of the petition and the docket number. Written and emailed

comments will be provided the same weight as statements made at the hearings.

**Table # 1**  
**Margin Adjustment Charge**

Rate Schedules	Present \$/therm (Incl. SUT)	Proposed \$/therm (Incl. SUT)
RSG, GSG, LVG, SLG and TSG-F	(\$0.006951)	(\$0.006207)

**Table #2**  
**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 Monthly Percent Change Would Be:
170	25	\$27.77	\$27.78	\$0.01	0.04%
340	50	46.95	46.99	0.04	0.09
610	100	86.18	86.26	0.08	0.09
1,040	172	142.06	142.19	0.13	0.09
1,210	200	163.76	163.91	0.15	0.09
1,816	300	241.32	241.55	0.23	0.10

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect June 1, 2021.  
(2) Same as (1) except includes proposed change in the Margin Adjustment Charge (MAC).

**Danielle Lopez**  
**Associate Counsel - Regulatory**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**