

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY GAS CUSTOMERS

IN THE MATTER OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY’S 2019/2020 ANNUAL BGSS COMMODITY CHARGE FILING FOR ITS RESIDENTIAL GAS CUSTOMERS UNDER ITS PERIODIC PRICING MECHANISM AND FOR CHANGES IN ITS BALANCING CHARGE

Notice of Filing and Notice of Public Hearings | Docket No. GR19060699

**TAKE NOTICE** that, on May 31, 2019, Public Service Electric and Gas Company (“Public Service” or “the Company”) filed a Petition and supporting testimony with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting that the Board permit Public Service to decrease its Basic Gas Supply Service (“BGSS-RSG”) Commodity Charge to Residential Service (“RSG”) customers and for changes to its Balancing Charge to customers receiving service under RSG, General Service (“GSG”), Large Volume Service (“LVG”) and Contract Service (“CSG”) where applicable effective October 1, 2019, or earlier should the Board deem it appropriate. Approval of the Company’s request would result in a decrease in annual BGSS-RSG revenues of approximately \$12 million (excluding losses and New Jersey Sales and Use Tax or “SUT”). The requested decrease in the BGSS-RSG Commodity Charge is from \$0.349059 per therm (including losses and SUT) to \$0.340221 per therm (including losses and SUT).

Additionally, the Company is requesting two (2) changes in its Balancing Charge. First, the Company is seeking a change in the balancing period from the current five (5) billing months of November through March to the eight (8) billing months of October through May. Second, the Company is seeking a change in the Balancing Charge from \$0.102825 per therm (including losses and SUT), based on the current five month balancing period to \$0.098620 per therm (including losses and SUT) based on the eight (8) month balancing period.

For illustrative purposes, the Company calculated an updated five (5) month Balancing Charge of \$0.113187 per balancing use therm (including losses and SUT) to demonstrate the required change in rate from the current \$0.102825 rate due to changes in costs.

Based on rates effective May 1, 2019, the combined effect of the requested decrease in the annual BGSS Commodity Charge and change in the Balancing Charge (inclusive of the proposed change to an eight month balancing period) on typical residential gas bills, if approved by the Board, is shown in Table #1. For illustrative purposes, the combined effect of the requested change with an updated five (5) month Balancing Charge is shown in Table #2.

Under the Company’s proposal, a residential heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see a decrease in their annual bill from \$566.34 to \$563.06, or \$3.28 or approximately 0.58%. Moreover, under the Company’s proposal, a typical residential heating customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see a decrease in their annual bill from \$893.03 to \$887.14, or \$5.89 or approximately 0.66%.

In addition, the Board, in its Order in Docket No. GX01050304 dated January 6, 2003, granted Public Service approval to increase its Commodity Charge rates to be effective December 1st of this year, 2019, and/or February 1st of next year, 2020, on a self-implementing basis; each increase is subject to a maximum rate increase of 5% of the average rate based on a typical residential customer’s monthly bill of 100 therms on average (or 1,200 therms annually). Such rate increases shall be preconditioned upon written notice by Public Service to BPU Staff and to the New Jersey Division of Rate Counsel no later than November 1st, 2019 and/ or January 1st, 2020 of its intention to apply a December 1st or a February 1st self-implementing rate increase, respectively, and the approximate amount of the increases based upon then current market data. These increases, if implemented, would be in accordance with the Board-approved methodology.

Should it become necessary to apply the December 1st, 2019 self-implementing 5% increase, the bill impact would be an increase as illustrated in Table #3. Further, if a February 1st, 2020 self-implementing 5% increase becomes necessary, then there would be an additional increase as also shown in Table #3. For illustrative purposes, the combined effect of the requested change with an updated five month Balancing Charge is shown in Table #4.

The above requests will not result in any profit to the Company. Any final 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/customerservice/locations>), online at the PSEG website at <http://www.pseg.com/pseandgfilings>, and at the Board of Public Utilities 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.

<b>August 22, 2019</b> <b>4:30 and 5:30 PM</b> Burlington County Administration Building Board of Chosen Freeholders Board Room 1 <sup>st</sup> Floor 49 Rancocas Road Mt. Holly, New Jersey 08060	<b>August 27, 2019</b> <b>4:30 and 5:30 PM</b> Bergen County Administration Building Freeholders Public Meeting Room Room 540 1 Bergen County Plaza Hackensack, NJ 07601	<b>August 29, 2019</b> <b>4:30 and 5:30 PM</b> Middlesex County Administration Building Freeholders Meeting Room 1 <sup>st</sup> Floor Meeting Room 75 Bayard Street New Brunswick, NJ 08901
--	---	---

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.

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.

Table #1 Residential Gas Service – With Proposed Changes in an Eight Month Balancing Period

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	\$27.93	\$27.64	(\$0.29)	(1.04)%
340	50	47.21	46.62	(0.59)	(1.25)
610	100	87.05	85.82	(1.23)	(1.41)
1,040	172	143.56	141.44	(2.12)	(1.48)
1,200	201	166.39	163.91	(2.48)	(1.49)
1,816	300	243.92	240.23	(3.69)	(1.51)

- (1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) in effect May 1, 2019, and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes the proposed change in BGSS-RSG and Balancing Charge.

Table #2 – Residential Gas Service – With Proposed Changes with a Five Month Balancing Period

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	\$27.93	\$27.90	(\$0.03)	(0.11)%
340	50	47.21	47.14	(0.07)	(0.15)
610	100	87.05	87.02	(0.03)	(0.03)
1,040	172	143.56	143.53	(0.03)	(0.02)
1,200	201	166.39	166.36	(0.03)	(0.02)
1,816	300	243.92	243.85	(0.07)	(0.03)

- (1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) in effect May 1, 2019, and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes the proposed change in BGSS-RSG and Balancing Charge.

Table #3 – Residential Gas Service – With Proposed Changes in an Eight Month Balancing Period

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Self-Implementing 5% Increases (1)		
		December 1, 2019 Monthly Winter Change Would Be:	February 1, 2020 Monthly Winter Change Would Be:	Total If Both 5% Self-Implementing Increases Are Put Into Effect
170	25	\$1.05	\$1.05	\$2.10
340	50	2.10	2.10	4.20
610	100	4.20	4.20	8.40
1,040	172	7.22	7.23	14.45
1,200	201	8.45	8.44	16.89
1,816	300	12.60	12.60	25.20

- (1) Self-implementing monthly changes would be in addition to any monthly winter bill change amounts.

Table #4 – Residential Gas Service – With Proposed Changes with a Five Month Balancing Period

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Self-Implementing 5% Increases (1)		
		December 1, 2019 Monthly Winter Change Would Be:	February 1, 2020 Monthly Winter Change Would Be:	Total If Both 5% Self-Implementing Increases Are Put Into Effect
170	25	\$1.05	\$1.05	\$2.10
340	50	2.11	2.11	4.22
610	100	4.22	4.22	8.44
1,040	172	7.25	7.26	14.51
1,200	201	8.48	8.48	16.96
1,816	300	12.65	12.66	25.31

- (1) Self-implementing monthly changes would be in addition to any monthly winter bill change amounts.