

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ITS CLEAN ENERGY FUTURE - ENERGY CLOUD ("CEF-EC") PROGRAM ON A REGULATED BASIS

Notice of Filing and Notice of Public Hearings | BPU Docket No.: EO18101115

TAKE NOTICE that in October 2018, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") and on April 1, 2020, filed an update to the petition, requesting approval to upgrade the Company's meter infrastructure through the establishment of a Clean Energy Future – Energy Cloud Program ("CEF-EC Program" or "Program"). The proposed CEF-EC Program will deploy advanced metering infrastructure ("AMI") throughout the Company's electric service territory over an approximately five (5)-year period beginning in 2021. PSE&G seeks BPU approval to commit up to \$714 million, \$642 million of which will be CEF-EC Program investments, over the Program's duration.

In conjunction with the implementation of the Program, PSE&G proposes to recover, in base rates, the revenue increases associated with the capital investment costs of the CEF-EC Program. While the Company is not seeking an increase at this time, PSE&G is seeking authority to recover a return on, and return of, its investments through semi-annual adjustments to its base rates beginning on December 1, 2022. The Company estimates that the rate change for electric rates effective December 1, 2022 will increase rates by approximately \$15.4 million. This rate change is only an estimate at this time and is subject to change.

For illustrative purposes, the December 1, 2022 estimated base rates, including New Jersey Sales and Use Tax ("SUT") for residential Rate Schedule RS, is shown in Table #1. Table #2 provides customers with the approximate effect of the proposed change in annual bills relating to the Program, if approved by the Board, effective December 1, 2022. 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 electric customer using 740 kilowatt-hours per month during the summer months and 6,920 kilowatt-hours on an annual basis would see an initial increase in their annual bill from \$1,312.72 to \$1,320.04, or \$7.32, or approximately 0.56%. The approximate effect of the proposed base rate change on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #3.

Based upon current projections and assuming full implementation of the complete Program as proposed, the anticipated incremental annual bill impact for the typical residential electric customer using 6,920 kilowatt-hours annually is as follows:

\$7.32 or approximately 0.56% effective 12/1/2022;
 \$5.28 or approximately 0.40% effective 6/1/2023;
 \$6.84 or approximately 0.52% effective 12/1/2023;
 \$6.96 or approximately 0.53% effective 6/1/2024;
 \$6.96 or approximately 0.53% effective 12/1/2024;
 \$6.96 or approximately 0.53% effective 10/1/2025.

Tables #4 & #5 provide customers with the estimated incremental and cumulative rate impacts of the Program to typical and class average customers for Residential and Commercial classes, respectively. The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage. It is anticipated that the Company will make semi-annual filings each year of the Program to request Board approval to implement that Program Year's revenue requests. The Board's decisions may increase or decrease the percentages shown.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as a 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.

A copy of the Company's filing is available for review online at the PSE&G website at <http://www.pseg.com/pseandgfilings>.

Please note that due to the COVID-19 pandemic, 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.

Date: October 7, 2020	Date: October 8, 2020
Times: 4:30 pm and 5:30 p.m.	Times: 4:30 pm and 5:30 p.m.
Dial-in Number: 888 475 4499 (US Toll Free)	Dial-in Number: 888 475 4499 (US Toll Free)
Conference ID: 880 352 5411	Conference ID: 880 352 5411
Passcode: 202010	Passcode: 202010

Representatives from the Company, Board Staff, and the Division of Rate Counsel will participate in the public hearings. Members of the public are invited and may 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 RS, RHS and GLP Customers Rates if Effective December 1, 2022 for Electric

Rate Schedule	Base Rates			
			Charges in Effect September 1, 2020 Including SUT	Estimated Charges Including SUT
Electric				
RS	Service Charge	per month	\$4.95	\$5.56
RHS	Service Charge	per month	4.95	5.56
GLP	Service Charge	per month	4.77	5.63

Table #2 – Proposed Percentage Change in Annual Bills By Customer Class for Electric Service For Rates if Effective December 1, 2022

Electric		
	Rate Class	Percent Change
Residential	RS	0.56%
Residential Heating	RHS	0.36
General Lighting & Power	GLP	0.21

The percent increases noted above are based upon September 1, 2020 Delivery Rates, the applicable Basic Generation Service (BGS) charges, and assumes that customers receive commodity service from PSE&G.

Table #3 – Residential Electric Service for Rates if Effective December 1, 2022

If Your Annual kWh Use Is:	And Your Monthly Summer kWh Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Increase Would Be:	And Your Monthly Summer Percent Increase Would Be:
1,732	185	\$38.59	\$39.20	\$0.61	1.58%
3,464	370	72.25	72.86	0.61	0.84
6,920	740	141.44	142.05	0.61	0.43
7,800	803	153.75	154.36	0.61	0.40
12,500	1,337	258.15	258.76	0.61	0.24

- Based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect September 1, 2020 and assumes that the customer receives BGS-RSCP service from PSE&G.
- Same as (1) except includes the proposed change for the CEF-EC Program.

Table #4 – Residential Electric Service Projected Incremental Percent Change From Annual Bills Effective September 1, 2020

Rate Class	Forecasted % Increase 12/1/2022	Forecasted % Increase 6/1/2023	Forecasted % Increase 12/1/2023	Forecasted % Increase 6/1/2024	Forecasted % Increase 12/1/2024	Forecasted % Increase 10/1/2025
RS	0.56%	0.40%	0.52%	0.53%	0.53%	0.53%
RHS	0.36%	0.26%	0.34%	0.34%	0.34%	0.34%
GLP	0.21%	0.15%	0.20%	0.20%	0.20%	0.20%

The percent increases noted above are based upon Delivery Rates in effect September 1, 2020 and the applicable Basic Generation Service (BGS) charges and assuming customers receive commodity service from PSE&G. It is anticipated that the Company will make semi-annual filings each year of the Program to request the Board's approval to implement that Program Year's revenue requests. The Board's decisions may increase or decrease the percentages shown above.

Table #5 – Electric Service Projected Cumulative Percent Change From Annual Bills Effective September 1, 2020

Rate Class	Forecasted % Increase 12/1/2022	Forecasted % Increase 6/1/2023	Forecasted % Increase 12/1/2023	Forecasted % Increase 6/1/2024	Forecasted % Increase 12/1/2024	Forecasted % Increase 10/1/2025
RS	0.56%	0.96%	1.48%	2.01%	2.54%	3.07%
RHS	0.36%	0.62%	0.96%	1.30%	1.65%	1.99%
GLP	0.21%	0.36%	0.55%	0.76%	0.95%	1.15%

The percent increases noted above are based upon Delivery Rates in effect September 1, 2020 and the applicable Basic Generation Service (BGS) charges and assuming customers receive commodity service from PSE&G. It is anticipated that the Company will make semi-annual filings each year of the Program to request the Board's approval to implement that Program Year's revenue requests. The Board's decisions may increase or decrease the percentages shown above. The cumulative totals in Table #5 may not agree to Table #4 due to rounding.

