

Matthew M. Weissman  
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*Handwritten signature*  
2/8/18

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CASE MANAGEMENT

FEB 07 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

February 6, 2018

In the Matter of the Petition of  
Public Service Electric and Gas Company's  
2016/2017 Annual Margin Adjustment Charge ("MAC") Filing  
Under Its Periodic Pricing Mechanism and for Changes in the  
Tariff for Gas Service

BPU Docket No. GR17060593

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FEB 06 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

**VIA OVERNIGHT MAIL**

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

Dear Ms. Camacho:

Attached please find the fully executed Stipulation (of which 10 copies are enclosed) in the above-referenced matter. The following parties have signed the Stipulation: Public Service Electric and Gas Company, the Staff of the New Jersey Board of Public Utilities, and the New Jersey Division of Rate Counsel.

If you have any questions, please do not hesitate to contact me. Thank you for your consideration in this matter.

Very truly yours,

*Handwritten signature of Matthew Weissman*

C Attached Service List (electronic only) ✓

*Handwritten note: Case negot*

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STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF PUBLIC SERVICE ) STIPULATION OF  
ELECTRIC AND GAS COMPANY'S 2016/2017 ) SETTLEMENT FOR  
ANNUAL MARGIN ADJUSTMENT CHARGE ) MARGIN  
("MAC") FILING UNDER ITS PERIODIC ) ADJUSTMENT CHARGE  
PRICING MECHANISM AND FOR CHANGES )  
IN THE TARIFF FOR GAS SERVICE ) BPU DOCKET NO. GR17060593

**APPEARANCES:**

**Matthew M. Weissman, Esq.**, for the Petitioner, Public Service Electric and Gas Company

**Felicia Thomas-Friel, Esq.**, Deputy Rate Counsel, **Sarah H. Steindel, Esq.**, and **Maura Caroselli, Esq.**, Assistant Deputy Rate Counsels, for the New Jersey Division of Rate Counsel (**Stefanie A. Brand**, Director)

**Alex Moreau, Patricia Krogman, and Emma Yao Xiao**, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey)

On June 1, 2017, Public Service Electric and Gas Company ("Public Service" or "the Company") made a filing with the New Jersey Board of Public Utilities ("Board" or "BPU") in the above-referenced matter, requesting the Margin Adjustment Charge ("MAC") rate for firm customers remain unchanged at (\$0.006338) per therm, excluding New Jersey Sales and Use Tax ("SUT").

The MAC was implemented on January 9, 2002, as a result of the Board's Order in Public Service's gas base rate case under BPU Docket No. GR01050328, to credit the net revenues associated with the rate schedule Non-Firm Transportation Gas Service ("TSG-NF") to customers on Rate Schedules Residential Service Gas (RSG),

General Service Gas (“GSG”), Large Volume Service Gas (“LVG”), Street Lighting Gas (“SLG”), and Firm Transportation Gas Service (“TSG-F”). The current MAC is in accordance with the Board’s Secretary’s letter dated September 26, 2017 in Docket No. ER17090984, which required the State’s electric and natural gas utilities to adjust their billing systems to reflect the Sales and Use Tax (“SUT”) reduction that took effect on January 1, 2018.

In the Company’s June 1, 2017 filing, Public Service represented that the current MAC balance supported a newly calculated rate of (\$0.006313) per therm excluding SUT that would result in a minor rate increase. Since the MAC is filed annually, the Company proposed maintaining the current rate of (\$0.006338) per therm excluding SUT, and not implementing a minor rate increase at this time.

The filing was subsequently updated with actual data through September 2017 and supported a credit of (\$0.005872) per therm excluding SUT. However, since this newly calculated credit would result in an increase that was not publically noticed by the Company, the Company proposes maintaining the current MAC credit of (\$0.006338) excluding SUT or (\$0.006758) reflecting the SUT rate of 6.625% as of January 1, 2018.

The Parties agree that the current MAC credit is reasonable at this time and  
HEREBY AGREE as follows:

1. The Company's MAC rate currently in effect remain unchanged to reflect a rate of (\$0.006758) including SUT per therm subject to interest on any net over or under-recovered MAC balance. Interest based on the seven-year Treasuries plus sixty (60) basis points is to be adjusted August 1 of each year, on any net over or under-recovered MAC balance.<sup>1</sup>

2. The undersigned agree that this Settlement contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its entirety. In the event any particular aspect of this Settlement is not accepted and approved by the Board, this Settlement shall be null and void, and the parties shall be placed in the same position that they were in immediately prior to its execution. More particularly, in the event this Settlement is not adopted in its entirety by the Board then any party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Settlement as though this Settlement had not been signed.

3. The undersigned further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

4. The undersigned parties further HEREBY AGREE that this Settlement has been made exclusively for the purpose of this proceeding and that this Settlement, in total

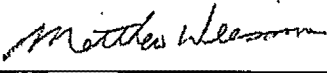
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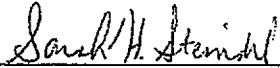
<sup>1</sup> Paragraph 12 of the Board's July 9, 2010 Order in BPU Docket No. GR09050422 directs that "[t]he Prospective MAC Balance will accrue two-way interest in the same manner as the existing MAC balance."

or specific item is in no way binding upon them in any other proceeding, except to enforce the terms of this Settlement.

PUBLIC SERVICE ELECTRIC AND  
GAS COMPANY

STEFANIE A. BRAND  
DIRECTOR,  
DIVISION OF RATE COUNSEL

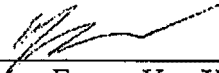
BY:   
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BY:   
Sarah H. Steindel  
Assistant Deputy Rate Counsel

DATED: February 1, 2018

DATED: Feb. 5, 2018

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the Board of Public Utilities

BY:   
Emma Yao Xiao  
Deputy Attorney General

DATED: 2/5/18