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RECEIVED
CASE MANAGEMENT

APR 29 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ



April 26, 2019

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of a Change in its Electric
Non-Utility Generation Charge Rate

BPU Docket No. ER19040523

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APR 29 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

VIA BPU E-FILING SYSTEM & OVERNIGHT MAIL

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 3rd Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Public Service Electric and Gas Company (PSE&G) submits its Petition, Testimony and Supporting Schedules in the above-referenced proceeding on the Board of Public Utilities E-Filing system. Also enclosed for the parties convenience is PSE&G's proposed Stipulation Regarding Provisional Rates.

Very truly yours,

Cms
Legal
DAG
RPA
ENERGY -

A handwritten signature in blue ink that reads "Matthew Weissman".

C Attached Service List (E-mail only)

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

RECEIVED
MAIL ROOM

APR 28 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS) PETITION
COMPANY FOR APPROVAL OF A CHANGE)
IN ITS ELECTRIC NON-UTILITY) BPU DOCKET NO. _____
GENERATION CHARGE RATE)

Public Service Electric and Gas Company (Public Service, the Company) a corporation of the State of New Jersey, which is subject to the jurisdiction of the Board of Public Utilities (Board), and which has its principal offices at 80 Park Plaza, Newark, New Jersey, respectfully petitions the Board as follows:

1. Public Service is engaged in the retail distribution and sale of electric energy for residential, commercial and industrial purposes within the State of New Jersey. Public Service is also engaged in the purchase, transmission, distribution and sale of natural gas for residential, commercial, and industrial customers in New Jersey. For these purposes, the Company is subject to the jurisdiction of the Board pursuant to N.J.S.A. 48:2-21 et seq.

2. Pursuant to the Electric Discount and Energy Competition Act of 1999 (EDECA), the Company's electric Non-utility Generation Transition Charge (NTC, now NGC) was established in the Board's Orders in Docket Nos. EO97070461, EO97070462 and EO97070463 (Electric EMP Order).

3. Pursuant to the Electric EMP Order, and to the extent that expenditures for these initiatives exceeded the amount of their cost recovery, the expenditures were subject to deferred accounting treatment for future recovery at the close of the transition period established in that Order.

4. By Order dated July 22, 2002, *Order Directing the Filing of Supplemental Testimony and Instituting Proceedings to Consider Audits of Utility Deferrals*, BPU Docket Nos. ER02050303, EO97070461, EO97070462, and EO97070463 (July 2002 Order), the Board required each electric utility to file, among other things, a request for recovery of deferred expenses pertaining to unrecovered balances associated with the NTC.

5. On August 28, 2002, the Company filed a request with the Board seeking authority to reset its rates, as required in the July 2002 Order.

6. After a series of proceedings related to various components of the Company's rates, the Board issued a Summary Order dated July 31, 2003 followed by a Final Order dated April 22, 2004 (Final Order). The Summary and Final Orders finalized the Company's NTC and established new NTC rates, including multiple components effective August 1, 2003.

7. The Company's most recent NGC¹ case was concluded by the Board's May 31, 2017 Order in Docket No. ER16080785, and the Company implemented the new NGC rates effective for service rendered on and after January 1, 2017 which reflected the provisional rates approved effective on October 1, 2016 as well as New Jersey Sales and Use Tax (SUT) effective January 1, 2017 based on the Company's actual collections and expenses through September 30, 2016.

8. The proposed new electric NGC rate of \$0.000119 per kilowatt-hour (kWh) without losses and SUT reflects an increase in revenue requirements of \$8.93 million. The annual bill impact on a typical residential electric customer that uses 740 kilowatt-hours

¹ A March 6, 2007 Order also provided that the NTC shall be renamed the Non-utility Generation Charge, or "NGC." The NGC component addressed in this Petition is limited to the "Non-Utility Generation above market costs."

during a summer month and 6,920 kilowatt-hours annually would be an increase of \$1.56, or approximately 0.12%, based upon current delivery rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) in effect April 18, 2019 assuming that the customer received BGS-RSCP service from PSE&G. However, because the underrecovery is continuing to grow, which will result in an even larger increase on what was intended to be a credit, the Company is proposing that until the parties have the opportunity to review the Company's proposed filing, that the NGC rate be set to \$0.000000 per kWh. A stipulation requesting a provisional rate of \$0.000000 per kWh is attached. If the rate is temporarily set to \$0.000000, the annual bill impact on a typical residential electric customer that uses 740 kilowatt-hours during a summer month and 6,920 kilowatt-hours annually would be an increase of \$0.68, or approximately 0.05%, based upon current delivery rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) in effect April 18, 2019 assuming that the customer received BGS-RSCP service from PSE&G.

9. Pursuant to a BPU directive, PSE&G provides a credit through the NGC to residential electric customers related to the net economic benefit of energy and capacity from the St. Lawrence hydroelectric facility. PSE&G resets the amount of the St. Lawrence New York Power Authority (NYPA) Credit as of June 1 of each year based on the credit received net of any over/under refunded balances including interest. Please note that the Company is not proposing to update the St. Lawrence credit in this filing. In support of this Petition, the Company is presenting the Direct Testimony of Stephen Swetz, Sr. Director - Corporate Rates and Revenue Requirements attached hereto as Attachment A. Mr. Swetz

describes the status and level of NGC recovery. The Company also files and incorporates herein its proposed Tariff Sheets (both red-lined and “clean”), attached hereto as Attachments B (current), C (proposed), and D (proposed with red-lining), respectively.

10. The Company incorporates herein as Attachment E a schedule depicting typical electric residential customer bill impacts resulting from approval of this Petition as well as a proposed provisional stipulation supporting a provisional NGC rate of \$0.000000 per kWh incorporated herein as Attachment G.

11. Attachment F is a draft Form of Notice of Filing and of Public Hearings (Form of Notice). This Form of Notice will be placed in newspapers having a circulation within the Company’s electric service territory upon scheduling of public hearing dates. Public hearings will be held in each geographic area within the Company’s service territory, i.e., Northern, Central, and Southern. A Notice will be served on the County Executives and Clerks of all municipalities within the Company’s electric and gas service territories upon scheduling of public hearing dates.

12. Communications and correspondence related to this Petition should be sent as follows:

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WHEREFORE, Public Service Electric and Gas Company requests that the Board find and determine as follows pursuant to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.S.A. 48:3-60:

1. The current credit be set to zero as reflected in the provisional stipulation attached hereto as Attachment G, effective July 1, 2019, while the parties review the Company's proposal requesting a revised rate of \$0.000119 per kWh without losses and SUT.

2. At the conclusion of the parties' review of the Company's proposal, the Board approve the Company's proposed revised rate as final.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

By: 
Matthew M. Weissman, Esq.
General State Regulatory Counsel
PSEG Services Corporation
80 Park Plaza
Newark, New Jersey 07101

DATED: April 26, 2019
Newark, New Jersey

STATE OF NEW JERSEY)
COUNTY OF ESSEX)

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

1. I am Sr. Director Corporate Rates and Revenue Requirements for PSEG
Services Corporation.

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



Stephen Swetz

Sworn to and subscribed to)
Before me this 26th day)
of April 2019)



MICHELE D. FALCAO
Notary Public, State of New Jersey
My Commission Expires
November 14, 2021