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CASE MANAGEMENT

JUL 01 2019
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

FORWARD
CASE MANAGEMENT

2019 JUL -2 A 8:19
BOARD OF PUBLIC UTILITIES
TRENTON, NJ June 28, 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

RECEIVED
MAIL ROOM

JUL 01 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

VIA OVERNIGHT MAIL

Office of the Secretary
Attn: Aida Camacho
Board of Public Utilities
44 South Clinton Avenue, 9th 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,

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

C Attached Service List (electronic only)

A handwritten signature in black ink that reads "Case Mgmt", which is highlighted with a yellow background.

BPU

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RECEIVED
CASE MANAGEMENT

JUL 01 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STATE OF NEW JERSEY
OFFICE OF ADMINISTRATIVE LAW

RECEIVED
MAIL ROOM

JUL 01 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

IN THE MATTER OF THE PETITION OF)	
PUBLIC SERVICE ELECTRIC AND GAS)	STIPULATION REGARDING
COMPANY FOR APPROVAL OF A)	PROVISIONAL RATES
CHANGE IN ITS ELECTRIC NON-UTILITY)	
GENERATION CHARGE RATE)	DOCKET NO. ER19040523

APPEARANCES:

Matthew M. Weissman, General State Regulatory Counsel, and Joseph A. Shea, Associate General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

Ami Morita, Assistant Deputy Rate Counsel, New Jersey for the Division of Rate Counsel (Stefanie A. Brand, Director)

Emma Yao Xiao, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

STIPULATION OF SETTLEMENT

1. On April 26, 2019, Public Service Electric and Gas Company (the "Company") filed a petition ("April 2019 Petition") with the New Jersey Board of Public Utilities (the "Board") seeking approval of changes to its electric Non-utility Generation Charge ("NGC").

2. The Non-Utility Generation above market costs component of the Company's NGC represent the difference between the amounts by which actual non-utility generation ("NUG") payments are different from the market value of that power.

3. The filed-for rate change per the April 2019 Petition proposed for the electric NGC was designed to increase revenues by \$8.93 million for electric customers on an annual basis beginning on July 1, 2019. However, because the under-recovery is continuing to grow as a result of the current rate being set as a credit, the Company is proposing that until the New Jersey Division of Rate Counsel and Board Staff (together with PSE&G, "Parties") have the opportunity to review the Company's April 2019 Petition, the NGC rate be set to \$0.000000 per

kilowatt-hour (“kWh”) without New Jersey Sales and Use Tax (“SUT”) effective July 1, 2019. If the rate is temporarily set to \$0.000000/kWh, 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 \$0.60, or approximately 0.05%, based upon current delivery rates and Basic Generation Service Residential Small Commercial Pricing (“BGS-RSCP”) in effect on June 1, 2019, assuming that the customer receives BGS-RSCP service from PSE&G. These rates are expected to generate an increase in NGC revenues of approximately \$3.7 million on an annual basis.

4. At the conclusion of the Parties’ review of the Company’s proposal, the Board may set new rates as appropriate.

5. Attached hereto as Exhibit A is the current tariff page as well as a draft redline and clean tariff page setting forth the proposed provisional electric NGC rate of \$0.000000/kWh without losses or SUT.

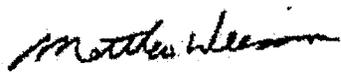
6. The Parties recommend that the Board issue an Order approving this Stipulation of Settlement (“Settlement”) without modification, with the rate modifications set forth herein effective for service rendered on and after July 15, 2019 to be effective until which time the Parties have an opportunity to review the current filing and set new NGC rates.

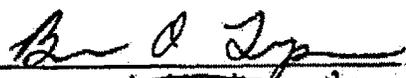
7. The Parties agree that this Settlement was negotiated and agreed to in its entirety with each section being mutually dependent on approval of all other sections. Therefore, if the Board modifies any of the terms of this Settlement, each Party is given the option, before implementation of any different rate or terms in this case, to accept the change or to resume the proceeding as if no agreement had been reached. If these proceedings are resumed, each Party is given the right to return to the position it was in before this Settlement was executed.

8. The undersigned Parties hereby agree that this Settlement has been made exclusively for the purpose of this proceeding and that this Settlement, in total or by 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

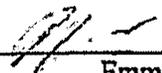
By: 
Matthew M. Weissman
General State Regulatory Counsel

By: 
~~Ami Morita~~ *Brian O. Lipman*
~~Managing Attorney - Electric~~
Litigation Manager

DATED: June 26, 2019.

DATED: June 27, 2019.

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: June 27, 2019.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC

Original Sheet No. 60

NON-UTILITY GENERATION CHARGE

	Cost Recovery (per kilowatt-hour)		
	St Lawrence NYPA Credit RS, RHS and RLM	Non-Utility Generation above market costs (\$0.000086)	Total
Total Cost per kilowatt-hour			
Amount per kilowatt-hour of cost recovery after application of losses:			
RS, RHS & RLM (Loss Factor =5.8327%)	(\$ 0.000046)	(\$0.000091)	(\$0.000137)
Other Secondary (Loss Factor =5.8327%)		(0.000091)	(0.000091)
LPL Primary (Loss Factor =3.3153%)		(0.000089)	(0.000089)
HTS Subtransmission (Loss Factor =2.0472%)		(0.000088)	(0.000088)
HTS High Voltage & HTS Transmission (Loss Factor =0.8605%)		(0.000087)	(0.000087)
Charges including New Jersey Sales and Use Tax (SUT)			
RS, RHS & RLM	(\$ 0.000049)	(\$0.000097)	(\$0.000146)
Other Secondary Service		(0.000097)	(0.000097)
LPL Primary		(0.000095)	(0.000095)
HTS Subtransmission		(0.000094)	(0.000094)
HTS High Voltage & HTS Transmission		(0.000093)	(0.000093)

NON-UTILITY GENERATION CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. This charge shall recover: 1) above market costs associated with non-regulated generation costs which are related to long-term contractual power purchase arrangements approved by the Board and/or established under requirements of the Public Utility Regulatory Policies Act of 1978 and 2) other generation costs as may be approved by the Board. Actual costs incurred by the Company will be subject to deferred accounting. The St. Lawrence New York Power Authority (NYPA) Annual Benefit Allocation credit reflects the annual Economic Benefit allocation for New Jersey's investor owned utilities to supply residential customers' load.

Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered Non-utility Generation above market cost balances. This interest rate shall change each August 1.

Date of Issue: October 30, 2018

Effective: November 1, 2018

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated October 29, 2018
in Docket Nos. ER18010029, GR18010030, AX18010001 and ER18030231

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 60

B.P.U.N.J. No. 16 ELECTRIC

Superseding
XXX Sheet No. 60

NON-UTILITY GENERATION CHARGE

	Cost Recovery (per kilowatt-hour)		
	St Lawrence NYPA Credit RS, RHS and RLM	Non-Utility Generation above market costs	Total
Total Cost per kilowatt-hour		(<u>\$0.000086</u>) <u>\$0.000000</u>	
Amount per kilowatt-hour of cost recovery after application of losses:			
RS, RHS & RLM (Loss Factor =5.8327%)	(\$ 0.000046)	(<u>\$0.000094</u>) <u>\$0.000000</u>	(<u>\$0.000137</u>) <u>(\$0.000046)</u>
Other Secondary (Loss Factor =5.8327%)		<u>(0.000094)</u> <u>0.000000</u>	<u>(0.000094)</u> <u>0.000000</u>
LPL Primary (Loss Factor =3.3153%)		<u>(0.000089)</u> <u>0.000000</u>	<u>(0.000089)</u> <u>0.000000</u>
HTS Subtransmission (Loss Factor =2.0472%)		<u>(0.000088)</u> <u>0.000000</u>	<u>(0.000088)</u> <u>0.000000</u>
HTS High Voltage & HTS Transmission (Loss Factor =0.8605%)		<u>(0.000087)</u> <u>0.000000</u>	<u>(0.000087)</u> <u>0.000000</u>
Charges including New Jersey Sales and Use Tax (SUT)			
RS, RHS & RLM	(\$ 0.000049)	<u>(0.000097)</u> <u>\$0.000000</u>	<u>(\$0.000146)</u> <u>(\$0.000049)</u>
Other Secondary Service		<u>(0.000097)</u> <u>0.000000</u>	<u>(0.000097)</u> <u>0.000000</u>
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Date of Issue:

Effective:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 60

B.P.U.N.J. No. 16 ELECTRIC

Superseding
XXX Sheet No. 60

NON-UTILITY GENERATION CHARGE

	Cost Recovery (per kilowatt-hour)		
	St Lawrence NYPA Credit RS, RHS and RLM	Non-Utility Generation above market costs	Total
Total Cost per kilowatt-hour		\$0.000000	
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Filed pursuant to Order of Board of Public Utilities dated in Docket No. Effective: