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July 20, 2020

In The Matter of the Petition  
of Public Service Electric and Gas Company  
for Approval of the Recovery of Associated Costs  
Related To the Transitional Renewable Energy  
Certificate Program ("TREC Program")

BPU Docket No. ER20040324

***VIA ELECTRONIC MAIL***

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

Dear Secretary Camacho-Welch:

Attached is the fully executed Stipulation in the above-reference matter. If you have any questions regarding this filing, do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Joseph A. Shea, Jr.", written in a cursive style.

Joseph A. Shea, Jr.

Attachment

C Attached Service List (Email only)

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF )  
PUBLIC SERVICE ELECTRIC AND GAS )  
COMPANY FOR APPROVAL OF THE )  
RECOVERY OF ASSOCIATED COSTS ) BPU DOCKET NO. ER20040324  
RELATED TO THE TRANSITIONAL )  
RENEWABLE ENERGY CERTIFICATE )  
PROGRAM (“TREC PROGRAM”) )

**STIPULATION AND AGREEMENT**

**APPEARANCES:**

**Matthew M. Weissman**, Esq., Managing Counsel - State Regulatory, PSEG Services Corp., and **Joseph A. Shea, Jr.**, Esq., Associate Counsel - Regulatory, for the Petitioner, Public Service Electric and Gas

**Brian O. Lipman**, Esq., Litigation Manager, **Ami Morita**, Esq., Managing Attorney—Electric, **Felicia Thomas-Friel**, Esq., Managing Attorney – Gas, **Sarah H. Steindel**, Esq., Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director).

**Terel Klein**, Esq. Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey).

On April 30, 2020, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition and supporting documentation (“April 2020 Petition”) with the New Jersey Board of Public Utilities (“BPU” or “Board”) to recover its *pro rata* share of certain costs associated with the implementation of the Board’s Order In the Matter of a New Jersey Solar Transition Pursuant to P.L. 2018, C.17, in Docket No. QO19010068, dated December 6, 2019 (“TREC Order”).

In the TREC Order, the Board directed the New Jersey electric distribution companies (“EDCs”) to procure a TREC Administrator, whose role will be (a) to acquire all of the Transition Renewable Energy Certificates (“TRECs”) produced each year by eligible solar generation

projects, and (b) allocate the TRECs to load serving entities for retirement within the generation attribute tracking system (“GATS”) as part of the annual renewable portfolio standard (“RPS”) compliance process.

The TREC Order further provided that “the EDCs may recover reasonable and prudent costs for TRECs procurement and TREC Administrator fees. Recovery shall be based on each EDC's proportionate share of retail electric sales. Each EDC shall make an annual filing for its costs and the recovery method, which shall be subject to approval by the Board.”

In accordance with the Board’s recent COVID-19 Order, notice of this filing, the Petition, testimony, and schedules were served upon the Department of Law and Public Safety and upon the Director, Division of Rate Counsel (“Rate Counsel”) by electronic mail.<sup>1</sup> Electronic copies of the April 2020 Petition, testimony, and schedules were sent to the persons identified on the service list provided with this filing.

Notice of the Company’s April 2020 Petition, including the date and time of public hearings, was placed in newspapers having a circulation within the Company’s electric service territory, and was served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company’s electric service territory. As a result of the COVID-19 pandemic, and to comply with social distancing mandates issued by the Governor, based on guidance from the Board’s Staff the public hearings were conducted telephonically in lieu of in-person hearings. In accordance with that notice, telephonic public hearings on the Company’s request were held at 4:30 pm and 5:30 pm on June 23, 24, and 25,

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<sup>1</sup> See In re the New Jersey Board of Public Utilities’ Response to the Covid-19 Pandemic for a Temporary Waiver of the Requirements for Certain Non-Essential Obligations, Docket No. EO20030254, dated March 19, 2020.

2020. No members of the public provided comments at any of the hearings or filed written comments with the Board.

Upon review of the April 2020 Petition, Board Staff, Rate Counsel, and PSE&G, (collectively, “Parties”), stipulate and agree as follows:

1. Consistent with the TREC Order, PSE&G proposed to recover the revenue requirements (approximately \$23 million) associated with its *pro rata* share -- based on PSE&G’s proportionate share of retail electric sales, which is 57.12% -- of the reasonable and prudent costs for TREC procurement and TREC administrator fees and any other costs reasonably and prudently incurred by the Company in the disposition of its TREC obligations. The actual revenue requirement will be trued up in the next annual GPRC filing based on the TREC Administrator contract and the fees associated with the Year 1 cost.
2. The projected amount of these expenditures from July 1, 2020 through September 30, 2021 will be trued-up in a subsequent annual filing. PSE&G will defer reasonably and prudently incurred costs associated with disposition of its TREC obligations prior to the issuance of a Board order and recover such costs in the initial rate period beginning September 1, 2020 and ending September 30, 2021, or as soon as the Board authorizes the effective date.
3. PSE&G will recover the revenue requirements associated with the TREC Program component (“TRECC”) as a new component of the Company’s existing electric Green Program Recovery Charges (“GPRC”).
4. The Parties agree that pursuant to the terms of the TREC Order, PSE&G may implement the rates in Table 1 effective September 1, 2020, or as soon as the Board authorizes the effective date. The rates established herein are based upon forecasted costs. Monthly

revenue requirements will be based upon actual costs with over/under recoveries from revenue collected being tracked with interest and included when rates are reset in the Company's 2021 GPRC filing. All costs associated with the TREC Program, including those forecasted for the previous period are subject to review by the parties in annual GPRC filings.

<b>TABLE 1</b>	<b>TREC Program Component of the GPRC</b>		<b>Total GPRC</b>	
	<b>Present \$/kWhr (Incl SUT)</b>	<b>Proposed \$/kWhr (Incl SUT)</b>	<b>Present \$/kWhr (Incl SUT)</b>	<b>Proposed \$/kWhr (Incl SUT)</b>
<b>GPRC Electric</b>	<b>\$0.000000</b>	<b>\$0.000567</b>	<b>\$0.001334</b>	<b>\$0.001901</b>

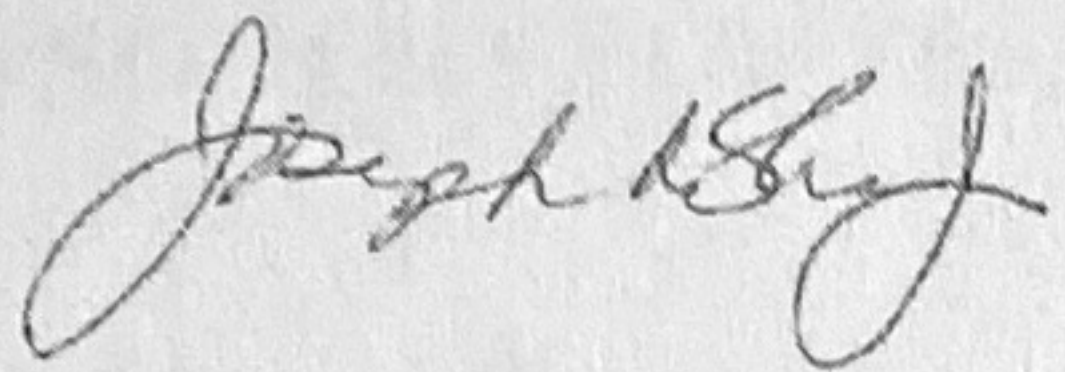
5. The annual average bill impact of the proposed rates to the typical residential electric customer using 740 kilowatt-hours in a summer month and 6,920 kilowatt- hours annually is an increase of approximately 0.30%, from \$1,308.12 to \$1,312.04, or \$3.92. The tariff sheets reflecting the change are included as Attachment 1.
6. Any over/under recovery of actual revenue requirements compared to revenues will be deferred. In calculating the monthly interest on net over and under recoveries, the interest rate will be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month.
7. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion.

More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

8. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.
9. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.
10. The Parties 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.


***[Signature Block on Following Page]***

PUBLIC SERVICE ELECTRIC AND GAS  
COMPANY

BY:   
Joseph A. Shea, Jr.  
Associate Counsel – Regulatory

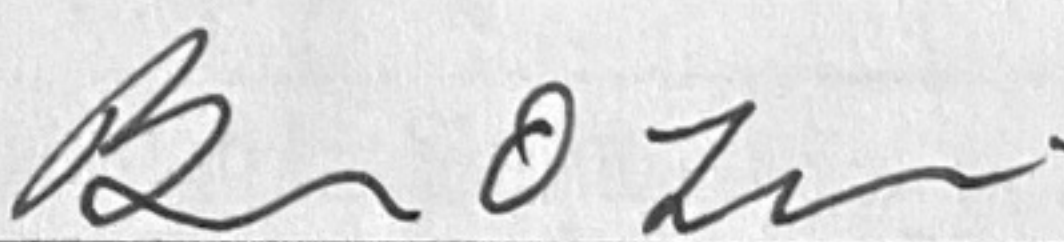
DATED: July 20, 2020

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

BY:   
Terel Klein, Esq.  
Deputy Attorney General

DATED: July 20, 2020

NEW JERSEY DIVISION OF RATE  
COUNSEL  
STEFANIE A. BRAND, DIRECTOR

BY:   
Brian Lipman  
Litigation Manager

DATED: July 20, 2020

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

XXX Revised Sheet No. 65

Superseding

XXX Revised Sheet No. 65

**GREEN PROGRAMS RECOVERY CHARGE**

**Charge  
(per kilowatt-hour)**

**Component:**

Carbon Abatement Program .....	\$0.000022
Energy Efficiency Economic Stimulus Program.....	(\$0.000060)
Demand Response Program .....	\$0.000000
Solar Generation Investment Program .....	\$0.000767
Solar Loan II Program .....	\$0.000282
Energy Efficiency Economic Extension Program.....	(\$0.000079)
Solar Generation Investment Extension Program .....	(\$0.000035)
Solar Loan III Program .....	(\$0.000060)
Energy Efficiency Economic Extension Program II.....	\$0.000274
Solar Generation Investment Extension II Program .....	(\$0.000035)
Energy Efficiency 2017 Program .....	\$0.000175
<u>Transition Renewable Energy Certificate Program.....</u>	<u>\$0.000532</u>
Sub-total per kilowatt-hour .....	<del>\$0.001251</del> <u>\$0.001783</u>

Charge including New Jersey Sales and Use Tax (SUT) ..... ~~\$0.001334~~ \$0.001901

**GREEN PROGRAMS RECOVERY CHARGE**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

Date of Issue:

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.

Effective:

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**XXX Revised Sheet No. 65**

**Superseding**

**XXX Revised Sheet No. 65**

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