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November 5, 2020

**In The Matter of the Petition of
Public Service Electric and Gas Company
to Revise its Weather Normalization Charge
for the 2020-2021 Annual Period
BPU Docket No.: GR20060470**

VIA ELECTRONIC MAIL

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

Dear Secretary Camacho-Welch:

Attached is the fully executed Stipulation in the above-reference matter resolving all aspects of this matter. All the 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.

Consistent with the Order issued by the New Jersey Board of Public Utilities (“BPU or Board”) in connection with In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this filing is being electronically filed with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

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 blue ink that reads "Matthew Weissman".

Matthew M. Weissman

Attachment
C: Attached Service List

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)	STIPULATION OF
PUBLIC SERVICE ELECTRIC AND GAS)	SETTLEMENT
COMPANY TO REVISE ITS WEATHER)	FOR FINAL WEATHER
NORMALIZATION CHARGE)	NORMALIZATION
FOR THE 2020-2021 ANNUAL PERIOD)	BPU Dkt. No. GR20060470

APPEARANCES:

Matthew M. Weissman, Esq., Managing Counsel, State Regulatory, and **Katherine E. Smith**, Esq., Associate General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

Brian O. Lipman, Esq., Litigation Manager, **Felicia Thomas-Friel**, Esq., Deputy Rate Counsel, and **Sarah H. Steindel**, Esq., Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Stefanie A. Brand**, Director)

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

On June 29, 2020, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting approval to recover from customers \$33,742,007 over the 2020-2021 Winter Period (*i.e.*, October 1-May 31) (“2020 WNC Petition”). As proposed in the 2020 WNC Petition, the Weather Normalization Charge (“WNC”) would be recovered from PSE&G gas customers receiving service under Rate Schedules: Residential Service (“RSG”), General Service (“GSG”), and Large Volume Gas (“LVG”) during the 2020-2021 Winter Period.

As part of its 2020 WNC Petition, PSE&G proposed a WNC of \$0.019308 per balancing therm excluding New Jersey Sales and Use Tax (“SUT”) (\$0.020587 per balancing therm including SUT).

The WNC Tariff was first approved by the Board on July 9, 2010 as part of the stipulation of settlement of PSE&G’s 2009 base rate case. See Decision and Order Adopting Initial Decision

with Modifications for Gas Decision, *I/M/O the Petition of PSE&G for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service*, Dkt. No. GR09050422 (“July 2010 Order”).

In calculating the proposed WNC, PSE&G represented that it utilized calculations required by the July 2010 Order and reflected in its WNC Tariff. Specifically, PSE&G is required to calculate, at the end of each Winter Period, the level by which margin revenues differed from what would have resulted if normal weather had occurred. The base level of normal degree days for the 2019-2020 Winter Period is defined in PSE&G’s WNC Tariff. As approved by the Board, any excess or deficiency is to be credited or recovered in the following year during the Winter Period through the WNC.

In accordance with the WNC Tariff, PSE&G represented that it trued-up the Degree Day Consumption Factors utilized in the determination of the proposed WNC at the end of the Winter Period. In addition, the revised WNC tariff sheets developed by PSE&G and included in the 2020 WNC Petition reflected updated Degree Day Consumption Factors for the 2020-2021 Winter Period. These calculations established a margin revenue deficiency of \$33,939,806 for the 2019-2020 Winter Period.

On September 4, 2020, PSE&G, Board Staff, and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) entered into, and filed with the Board, a “Stipulation for Provisional Weather Normalization Charge” (“Provisional Settlement”) for recovery of \$10,000,000 of the \$33,742,007 deficit over the 2020-2021 Winter Period. Per the Provisional Settlement, the remaining eligible amount, with interest calculated at the rate applied to under/over balances of PSE&G’s Green Program Recovery Charge, either would be recovered through any

over-recoveries during the 2020-2021 Winter Period in the event of a colder than normal winter or, to the extent insufficient, would be carried over to the 2021-2022 Winter Period. The Provisional Settlement recommended approval of a WNC rate at \$0.005722 without Sales and Use Tax (“SUT”) (\$0.006101 including SUT), per balancing therm for the 2020-2021 Winter Period.

By Order dated September 23, 2020, the Board approved the Provisional Settlement and the provisional rate of \$0.005722 per balancing therm, excluding SUT, (\$0.006101 per balancing therm including SUT), effective October 1, 2020.

On November 2, 2020, PSE&G updated the filing with actual results for the months of June through September 2020, which eliminated any WNC recovery due to the earnings test limitation (“September Update”).

As a result of the September Update, PSE&G is no longer seeking any recovery for the 2020-2021 Winter Period and is requesting a \$0.000000 rate, effective December 1, 2020. Any over-recovery from October through November 2020 from the Provisional Settlement, with interest calculated at the rate applied to under/over balances of PSE&G’s Green Program Recovery Charge, will be returned to customers in the 2021-2022 WNC filing.

NOW THEREFORE, THE PARTIES STIPULATE AND AGREE AS FOLLOWS:

- 1) The Parties request that the BPU issue an Order setting a final WNC rate of \$0.000000 per balancing therm, with and without SUT, for the 2020-2021 Winter Period. No balance from the 2019-2020 Winter Period margin deficiency will be carried over for recovery in the 2021-2022 Winter Period. The total over-collection from October through November 2020 as a result of the Provisional Settlement, with interest calculated at the rate applied to under/over balances of PSE&G’s Green Program Recovery Charge, will be reflected in the WNC

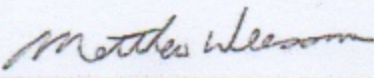
balance used to calculate the WNC rate for the 2021-2022 Winter Period in accordance with the terms of the Company's WNC Tariff.

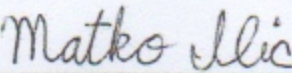
- 2) As a result of the final WNC rate, PSE&G's typical residential gas heating customers using 172 therms in a winter month, and 1,040 therms on an annual basis, would experience a decrease in their annual bill from \$870.74 to \$866.52, a decrease of \$4.22 or approximately 0.48%, based upon Delivery Rates and BGSS-RSG charges in effect on November 1, 2020, and assuming the customer receives gas commodity service from PSE&G.
- 3) The Parties further agree that upon Board approval of the final WNC rate, the Company is authorized to issue revised Gas WNC Tariff Sheet No. 45 to reflect the revised WNC rate delineated in Paragraph 1 above applicable to gas customers to be effective on December 1, 2020. Copies of the proposed tariff sheets are attached hereto as Exhibit A.
- 4) The Parties agree that this settlement for the final WNC rate reflects mutually balancing interests and contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this settlement is not accepted and approved in its entirety 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.

- 5) The Parties further 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

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

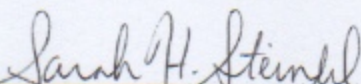
BY: 
Matthew M. Weissman
Managing Counsel - State Regulatory

BY: 
Matko Ilic
Deputy Attorney General

DATED: November 5, 2020.

DATED: November 5, 2020.

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

BY: 
Sarah H. Steindel
Assistant Deputy Rate Counsel

DATED: November 5, 2020.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 45

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

**Superseding
XXX Revised Sheet No. 45**

WEATHER NORMALIZATION CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG
(Per Balancing Therm)**

	Weather Normalization Charge	Weather Normalization Charge including SUT
October 1, 2020 through May 31, 2021	\$0.005722 \$0.000000	\$0.006104 \$0.000000
June 1, 2021 through September 30, 2021	\$0.000000	\$0.000000

Weather Normalization Charge

This charge shall be applicable to the rate schedules listed above. The weather normalization charge applied in each Winter Period shall be based on the differences between actual and normal weather during the preceding winter period. The weather normalization charge shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Degree Days (DD)

- the difference between 65°F and the mean daily temperature for the day. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day.

2. Actual Calendar Month Degree Days

- the accumulation of the actual Degree Days for each day of a calendar month.

3. Normal Calendar Month Degree Days

- the level of calendar month degree days to which this clause applies.

The normal calendar month Degree Days used in this clause will be the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station at the Newark airport and will be updated annually in the Weather Normalization Clause (WNC) proceeding. The base level of normal degree days for the defined winter period months for the 2020-2021 Winter Period are set forth in the table below:

	Normal Degree Days
Oct - 20	237.73
Nov - 20	526.11
Dec - 20	829.32
Jan - 21	1,004.41
Feb - 21	838.29
Mar - 21	693.37
Apr - 21	354.96
May - 21	125.01

4. Winter Period

- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

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. 45

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

**Superseding
XXX Revised Sheet No. 45**

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in Docket No.

Effective:

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