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June 1, 2022

In the Matter of the Petition of
Public Service Electric and Gas Company's
2022 Annual Margin Adjustment Charge ("MAC")

BPU Docket No. _____

VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

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

Dear Secretary Diaz:

Enclosed for filing on behalf of petitioner Public Service Electric and Gas Company is the Petition, Testimony of Stephen Swetz, and Supporting Schedules in the above-referenced proceeding.

Please feel to contact me with any questions on this matter.

Sincerely,

A handwritten signature in black ink that reads "Aaron I. Karp".

Attachment

cc: Attached Service List (electronic only)

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF PUBLIC SERVICE)	
ELECTRIC AND GAS COMPANY'S)	PETITION
2022 ANNUAL MARGIN)	DOCKET NO. _____
ADJUSTMENT CHARGE (MAC))	

Public Service Electric and Gas Company (“PSE&G” or “Company”), a public utility of the State of New Jersey, with its principal offices for the transaction of business at 80 Park Plaza Newark, New Jersey 07101, hereby petitions the New Jersey Board of Public Utilities (“Board”) as follows:

PSE&G, as a combination electric and gas utility, is engaged in the purchase, transmission, distribution, and sale of natural gas for residential, commercial and industrial customers in New Jersey, in addition to its electric operations.

MARGIN ADJUSTMENT CHARGE (“MAC”)

1. On January 9, 2002, as a result of the gas base rate case under BPU Docket No. GR01050328, the MAC was implemented to credit the net revenues associated with Non-Firm Transportation Gas Service (“TSG-NF”) rates to customers on Rate Schedules Residential Service (“RSG”), General Service (“GSG”), Large Volume Service (“LVG”), Street Lighting Service (“SLG”), and Firm Transportation Gas Service (“TSG-F”).

There are two limited situations when some or all of the revenue associated with certain specific TSG-NF customers flow to earnings instead of being included in the MAC and distributed to customers on RSG, GSG, LVG, SLG, and TSG-F rate schedules. These are:

1. When gas applications formerly being served under Rate Schedule LVG switch to Rate Schedule TSG-NF after the effective date of a base rate case decision. The total TSG-NF revenues from these switching customers, other than that related to the commodity, Sales and Use Tax (“SUT”), Societal Benefits Charge (“SBC”), Tax Adjustment Credit (“TAC”), and Green Programs Recovery Charge (“GPRC”), flow to earnings in lieu of being included in the MAC, until the effective date of new rates in the Company’s next base rate case. These revenues will be used to recover costs associated with the infrastructure (service, mains, meters, etc.) already installed to provide firm service at Rate Schedule LVG, since TSG-NF revenues no longer flow to the Company once the customer switches from LVG to TSG-NF. The margin treatment for customers switching from TSG-NF to LVG is reciprocal for customers switching from LVG to TSG-NF.
2. When the Company retains a portion of the TSG-NF revenues for new TSG-NF customers whose service commences on or after the end of the test year established in a base rate case or for additional investment necessary to serve existing TSG-NF customers after the end of the base rate case test year. For this purpose, new customers are defined as gas service to a separately metered new account for equipment that did not previously utilize gas delivery service from PSE&G. As described in the first situation above, TSG-NF net revenues are defined as total revenues, other than that related to the commodity, SUT, SBC, TAC, and GPRC charges. The annual amount retained by the Company is equal to twenty-percent (20%) of the cost of the new facilities required to serve all such customers, less any direct customer contribution

toward these costs, and is used to cover the costs associated with these new customers. As in the first situation, the cost recovery associated with these customers remains in force until the effective date of new rates in the Company's next base rate case proceeding.

In the most recent MAC proceeding of 2021, the MAC credit of (\$0.006207) per therm including SUT, was approved effective December 1, 2021.

2022 ANNUAL MAC FILING

This annual MAC filing petition is supported by the direct testimony of Stephen Swetz attached hereto as Attachment A, in which he recommends a MAC credit of (\$0.006372) per therm including SUT.

In this 2022 MAC filing, for the period ending April 30, 2022, the actual MAC balance is over-collected by \$10.53 million, excluding interest as detailed on Schedule SS-MAC-3, column 10.

At the end of the period ending September 2022, the MAC balance is forecasted to be over-collected by \$15.43 million, excluding interest as detailed on Schedule SS-MAC-3, column 10. The MAC balance including interest is forecasted to be over-collected \$15.59 million as detailed on Schedule SS-MAC-3, column 14. The newly calculated rate of (\$0.005976) per therm before SUT, would result in a rate decrease of (\$0.000155) per therm from the current rate of (\$0.005821) per therm before SUT or \$404,493 before SUT.

A typical residential gas heating customer that uses 172 therms in a winter month and 1,040 therms on an annual basis would see a decrease to their current annual bill from

\$1,047.22 to \$1,047.06, or \$0.16 or approximately 0.02% based upon rates in effect on June 1, 2022 and assuming the customer receives Basic Gas Supply (“BGS-RSG”) service from PSE&G. Clean and red tariff sheets for the current MAC are attached hereto as Attachment B.

Electronic copies of the Petition, testimony, and schedules will be sent to the persons identified on the service list provided with this filing.

COMMUNICATIONS

Communications and correspondence related to the Petition should be sent as follows:

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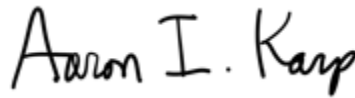
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CONCLUSION

WHEREFORE, PSE&G hereby requests that the Board issue a written Order by October 1, 2022 approving the Company's current MAC rate of (\$0.006372) per therm (including SUT) as reasonable and prudent at this time and, accordingly, modify the Tariff for Gas Service, B.P.U.N.J. No. 16 Gas, pursuant to N.J.S.A., 48:2-21 and 48:2-2.1.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



Aaron I. Karp, Esq.
Associate Counsel - Regulatory
PSEG Services Corporation
80 Park Plaza, T10
P.O. Box 570
Newark, New Jersey 07102

DATED: June 1, 2022
Newark, New Jersey

STATE OF NEW JERSEY)
 ss:
COUNTY OF ESSEX)

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

1. I am Stephen Swetz, Sr. Director - Corporate Rates and Revenue Requirements for PSEG Services Corporation.
2. I have read the annexed Petition and the matters contained therein, and they are true to the best of my knowledge and belief.



A handwritten signature in blue ink, appearing to read "Stephen Swetz", is written above a horizontal line.

1 **PUBLIC SERVICE ELECTRIC AND GAS COMPANY**
2 **DIRECT TESTIMONY**
3 **OF**
4 **STEPHEN SWETZ**
5 **SR. DIRECTOR - CORPORATE RATES AND REVENUE**
6 **REQUIREMENTS**
7

8 **Q. Please state your name and affiliation.**

9 A. My name is Stephen Swetz, and I am the Senior Director – Corporate Rates
10 and Revenues Requirements for PSEG Services Corporation. My credentials are
11 set forth in the attached Schedule SS-MAC-1.

12 **Q. What is the purpose of your direct testimony in this proceeding?**

13 A. The purpose of my testimony is to support Public Service Electric and Gas
14 Company’s (“PSE&G” or “Company”) annual Margin Adjustment Charge
15 (“MAC”) filing. The testimony and accompanying schedules support a MAC credit
16 of (\$0.006372) per therm including New Jersey Sales and Use Tax (“SUT”) of
17 6.625%.

18 **Q. Please briefly discuss the history of the Margin Adjustment Charge.**

19 A. On January 9, 2002 as a result of the gas base rate case under Board of Public
20 Utilities (“BPU”) Docket No. GR01050328, the MAC was implemented to credit
21 the net revenues associated with Non-Firm Transportation Gas Service (“TSG-NF”)
22 rates to customers on Rate Schedules Residential Service (“RSG”), General Service

23 (“GSG”), Large Volume Service (“LVG”), Street Lighting Service (“SLG”), and
24 Firm Transportation Gas Service (“TSG-F”).

25 There are two limited situations when some or all of the revenue associated
26 with certain specific TSG-NF customers flow to earnings instead of being included
27 in the MAC and distributed to customers on RSG, GSG, LVG, SLG and TSG-F rate
28 schedules. These are:

29 1. When gas applications formerly being served under Rate Schedule LVG
30 switch to Rate Schedule TSG-NF after the effective date of a base rate case
31 decision, the total TSG-NF revenues from these switching customers, other
32 than that related to the commodity, SUT, Societal Benefits Charge (“SBC”)
33 Tax Adjustment Credit (“TAC”), and Green Programs Recovery Charge
34 (“GPRC”), flow to earnings in lieu of being included in the MAC until the
35 effective date of new rates in the Company’s next base rate case. These
36 revenues will be used to recover costs associated with the infrastructure
37 (service, mains, meters, etc.) already installed to provide firm service at Rate
38 Schedule LVG, since TSG-NF revenues no longer flow to the Company once
39 the customer switches from LVG to TSG-NF. The margin treatment for
40 customers switching from TSG-NF to LVG is reciprocal for customers
41 switching from LVG to TSG-NF.

42 2. When the Company retains a portion of the TSG-NF revenues for new TSG-
43 NF customers whose service commences on or after the end of the test year
44 established in a base rate case or for additional investment necessary to serve
45 existing TSG-NF customers after the end of the base rate case test year. For
46 this purpose, new customers are defined as gas service to a separately
47 metered new account for equipment that did not previously utilize gas
48 delivery service from PSE&G. As described in the first situation above,
49 TSG-NF net revenues are defined as total revenues, other than that related to

50 the commodity, SUT, SBC, TAC, and GPRC charges. The annual amount
51 retained by the Company is equal to 20% of the cost of the new facilities
52 required to serve all such customers, less any direct customer contribution
53 toward these costs, and is used to cover the costs associated with these new
54 customers. As in the first situation, the cost recovery associated with these
55 customers remains in force until the effective date of new gas base rates in
56 the Company's next rate case proceeding. At the time new gas base rates go
57 into effect, the migration margin numbers' calculation will be reset to zero
58 and the MAC will be calculated with new rates and migration volumes. In
59 the most recent MAC proceeding of 2021, the MAC credit was set at
60 (\$0.006207) per therm including SUT.

61 **Q. Please describe the components of the revenue requirements of the 2022**
62 **Annual MAC filing.**

63 A. In this 2022 MAC filing, for the period ending April 30, 2022, the actual
64 MAC balance is over-collected by \$10.53 million, excluding interest as detailed on
65 Schedule SS-MAC-3, column 10.

66 At the end of the period ending September 2022, the MAC balance is
67 forecasted to be over-collected \$15.43 million, excluding interest as detailed on
68 Schedule SS-MAC-3, column 10. The MAC balance including interest is forecasted
69 to be over-collected by \$15.59 million as detailed on Schedule SS-MAC-3, column
70 14.

71 **Q. Please describe the calculation of the MAC.**

72 A. The calculation of the MAC credit of (\$0.006372) per therm including SUT
73 is shown in the following table:

1	Forecasted Total Over/(Under) Recovery Per Schedule SS-MAC-2	\$15,594,095
2	Forecasted Therms for October 1, 2022 to September 30, 2023	2,609,635,259
3=(1/2)*-1	Margin Adjustment Charge (Per Therm)	(\$0.005976)
4=3*1.06625	Margin Adjustment Charge (Including Sales and Use Tax)	(\$0.006372)

74 **Q. What is the revenue impact of the revised MAC credit described above?**

75 A. The proposed increase of the MAC credit from (\$0.005821) without SUT
76 ((\$0.006207) with SUT) to (\$0.005976) without SUT ((\$0.006372) with SUT),
77 results in an increase in the credit of approximately \$0.404 million per year.

78 **Q. Does this conclude your testimony?**

79 A. Yes, it does.

1 contributed to other filings including unbundling electric rates and Off-Tariff Rate
2 Agreements. I have had a leadership role in various economic analyses, asset valuations,
3 rate design, pricing efforts and cost of service studies.

4 I am an active member of the American Gas Association's Rate and Strategic
5 Issues Committee, the Edison Electric Institute's Rates and Regulatory Affairs Committee
6 and the New Jersey Utility Association (NJUA) Finance and Regulatory Committee.

7 **EDUCATIONAL BACKGROUND**

8 I hold a B.S. in Mechanical Engineering from Worcester Polytechnic
9 Institute and an MBA from Fairleigh Dickinson University.

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	G		written	Jun-22	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G		written	Jun-22	Conservation Incentive Program (GCIIP)
Public Service Electric & Gas Company	E/G	GR22030152	written	Mar-22	Remediation Adjustment Charge-RAC 29
Public Service Electric & Gas Company	E	ER22020035	written	May-22	Electric Conservation Incentive Program (ECIP)
Public Service Electric & Gas Company	G	GR21121256	written	Mar-22	Gas System Modernization Program II (GSMPII)
Public Service Electric & Gas Company	E	ER21121242	written	Feb-22	Solar Successor Incentive Program (SuSI)
Public Service Electric & Gas Company	E/G	EO21111211 & GO21111212	written	Dec-21	Infrastructure Advancement Program (IAP)
Public Service Electric & Gas Company	E/G	ER21111209 & GR21111210	written	Dec-21	The Second Energy Strong Program (Energy Strong II)
Public Service Electric & Gas Company	E/G	ER21101201 and GR21101202	written	Nov-21	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER21070965 & GR21070966	written	Nov-21	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	ER21060952	written	Oct-21	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR21060949	written	Jul-21	Gas System Modernization Program II (GSMPII) - Fifth Roll-In
Public Service Electric & Gas Company	E	ER21060948	written	Jun-21	SPRC 2021
PSEG New Haven LLC	PSEG New Haven LLC	21-06-40	written	Jun-21	PSEG 2022 AFRR
Public Service Electric & Gas Company	G	GR21060882	written	Jun-21	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER21050859	written	Jun-21	Community Solar Cost Recovery
Public Service Electric & Gas Company	G	GR20120771	written	Jun-21	Gas System Modernization Program II (GSMPII) - Forth Roll-In
Public Service Electric & Gas Company	E/G	GR20120763	written	May-21	Remediation Adjustment Charge-RAC 28
Public Service Electric & Gas Company	E	ER20120736	written	Dec-20	The Second Energy Strong Program (Energy Strong II)
Public Service Electric & Gas Company	E/G	ER20100685 & GR20100686	written	Dec-20	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E	ER20100658	written	Nov-20	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER20060467 & GR20060468	written	Oct-20	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR20060464	written	Oct-20	Gas System Modernization Program II (GSMPII) - Third Roll-In
Public Service Electric & Gas Company	E	ER20060454	written	Jun-20	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR20060470	written	Jun-20	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR20060384	written	Jun-20	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER20040324	written	Jun-20	Transitional Renewable Energy Certificate Program (TREC)
Public Service Electric & Gas Company	E/G	GR20010073	written	Jun-20	Remediation Adjustment Charge-RAC 27
Public Service Electric & Gas Company	G	GR19120002	written	Apr-20	Gas System Modernization Program II (GSMPII) - Second Roll-In
Public Service Electric & Gas Company	E/G	ER19091302 & GR19091303	written	Jan-20	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER19070850	written	Dec-19	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER19060764 & GR19060765	written	Aug-19	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR19060766	written	Jul-19	Gas System Modernization Program II (GSMPII) - First Roll-In
Public Service Electric & Gas Company	G	GR19060761	written	Jun-19	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E	ER19060741	written	Jun-19	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	oral	Jun-19	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR19060698	written	Jun-19	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER19040523	written	Jun-19	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	oral	May-19	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E	ER19040530	written	May-19	Madison 4kV Substation Project (Madison & Marshall)
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	written	May-19	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E/G	GR18121258	written	Apr-19	Remediation Adjustment Charge-RAC 26
Public Service Electric & Gas Company	E	EO18101115	written	Dec-18	Clean Energy Future - Energy Cloud Program (EC)
Public Service Electric & Gas Company	E	EO18101111	written	Nov-18	Clean Energy Future-Electric Vehicle And Energy Storage Programs (EVES)
Public Service Electric & Gas Company	G	GR18070831	written	Oct-18	Gas System Modernization Program (GSMPI) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER18070688 - GR18070689	written	Oct-18	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER18060681	written	Jul-18	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR18060675	written	Jun-18	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	written	Jun-18	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR18060605	written	Jun-18	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER18040358 - GR18040359	written	Jun-18	Energy Strong / Revenue Requirements & Rate Design - Eighth Roll-in
Public Service Electric & Gas Company	E/G	ER18030231	written	Jun-18	Tax Cuts and Job Acts of 2017
Public Service Electric & Gas Company	E/G	GR18020093	written	Mar-18	Remediation Adjustment Charge-RAC 25
Public Service Electric & Gas Company	E/G	ER18010029 and GR18010030	written	Mar-18	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER17101027	written	Feb-18	Energy Strong / Revenue Requirements & Rate Design - Seventh Roll-in
Public Service Electric & Gas Company	G	GR17070776	written	Jan-18	Gas System Modernization Program II (GSMPII)
Public Service Electric & Gas Company	G	GR17070775	written	Sep-17	Gas System Modernization Program (GSMPI) - Second Roll-In
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 - GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jul-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 - GR17030325	written	Jul-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Jun-17	Energy Efficiency 2017 Program

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER17020136	written	Mar-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR16111064	written	Mar-17	Remediation Adjustment Charge-RAC 24
Public Service Electric & Gas Company	E	ER16090918	written	Feb-17	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	EO16080788	written	Nov-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16080785	written	Sep-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Aug-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Aug-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER16070613 - GR16070614	written	Jul-16	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER16070616	written	Jul-16	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jul-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	Jul-16	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 - GR16030273	written	Jun-16	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	May-16	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Mar-16	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757-GR15070758	written	Nov-15	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Sep-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jul-15	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15050558	written	Jul-15	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER15050558	written	Jun-15	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15030389-GR15030390	written	May-15	Energy Strong / Revenue Requirements & Rate Design - Second Roll-in
Public Service Electric & Gas Company	G	GR15030272	written	May-15	Gas System Modernization Program (GSMP)
Public Service Electric & Gas Company	E/G	GR14121411	written	Mar-15	Remediation Adjustment Charge-RAC 22
Public Service Electric & Gas Company	E/G	ER14091074	written	Feb-15	Energy Strong / Revenue Requirements & Rate Design - First Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Dec-14	EEE Ext II
Public Service Electric & Gas Company	G	ER14070656	written	Sep-14	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER14070651-GR14070652	written	Aug-14	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	Jul-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Jul-14	Remediation Adjustment Charge-RAC 21
Public Service Electric & Gas Company	E/G	ER13070603-GR13070604	written	May-14	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Apr-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	Jul-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155-GO13020156	written/oral	Jun-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	May-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Mar-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606-GR12070605	written	Mar-13	RGGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jul-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jul-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Jun-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Jun-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Mar-12	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Mar-12	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jun-11	Economic Energy Efficiency Extension (EEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-11	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Jan-11	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Oct-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Aug-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Aug-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-10	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Mar-10	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Mar-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Feb-09	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Feb-09	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

**PSE&G - Margin Adjustment Clause
Clause Balances Over/(Under) and
Cummulative Interest Summary
Actuals Through April 2022**

	(1) Column 10 from Schedule SS-MAC-3	(2) Column 13 from Schedule SS-MAC-3	(3) Col 1 + Col 2 + Col 3		
	<u>MAC Balance Over/(Under)</u>	<u>Cumulative Interest</u>	<u>Total Over/(Under) Recovery</u>		
<u>Month</u>					
A c t u a l s	Sep-21	\$14,229,703	\$94,130	\$14,323,832	
	Oct-21	\$14,891,000	\$113,058	\$15,004,058	
	Nov-21	\$14,498,206	\$132,161	\$14,630,367	
	Dec-21	\$13,990,873	\$18,518	\$14,009,390	
	Jan-22	\$11,847,690	\$35,313	\$11,883,003	
	Feb-22	\$10,812,847	\$50,042	\$10,862,889	
	Mar-22	\$10,083,617	\$63,625	\$10,147,242	
	Apr-22	\$10,525,612	\$77,021	\$10,602,633	
	Forecast	May-22	\$11,446,690	\$91,303	\$11,537,993
		Jun-22	\$12,611,773	\$106,941	\$12,718,714
Jul-22		\$13,604,034	\$123,981	\$13,728,015	
Aug-22		\$14,454,084	\$142,219	\$14,596,303	
Sep-22		\$15,432,450	\$161,645	\$15,594,095	

**PSE&G - Margin Adjustment Clause
Balance Over/(Under) and Interest Calculation**

MAC Balance

(\$'s - Unless noted)
Actuals Through April 2022

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
						Col 1 - Col 2 - Col 3 - Col 4 - Col 5			Col 6 + Col 7 + Col 8	Prior Col 10 + Col 9		(Prior Col 10 + Col 10) / 2 * (Col 11 / 12)	Prior Col 13 + Col 12	Col 10 + Col 13	
						<u>Carrying Charge on New TSG-NF Customer Connection Investments</u>									
			<u>LVG to TSG-NF Migration</u>	<u>TSG-NF to LVG Migration</u>		<u>TSG-NF Net Margin Revenue</u>	<u>Prior Period Billing Adj.</u>	<u>MAC Credit</u>		<u>MAC Over/(Under) Recovery</u>	<u>MAC Balance</u>	<u>Annual Interest Rate</u>	<u>Interest on Prospective Balance</u>	<u>Cummulative Interest</u>	<u>Total MAC + Accumulated Interest Over/(Under) Recovery</u>
Month	<u>Total TSG-NF Revenue</u>	<u>Total TSG-NF Expenses</u>													
Monthly Calculations															
A c t u a l s	Sep-21	\$1,526,609	\$473,129	\$10,254	(\$15,743)	\$0	\$1,058,970	\$48,502	(\$466,169)	\$641,302	\$14,229,703	1.56%	\$18,082	\$94,130	\$14,323,832
	Oct-21	\$1,829,497	\$638,920	\$9,714	(\$16,181)	\$0	\$1,197,044	\$82,442	(\$618,189)	\$661,297	\$14,891,000	1.56%	\$18,928	\$113,058	\$15,004,058
	Nov-21	\$1,971,486	\$743,604	\$13,724	(\$19,982)	\$0	\$1,234,140	\$57,506	(\$1,684,440)	(\$392,794)	\$14,498,206	1.56%	\$19,103	\$132,161	\$14,630,367
	Dec-21	\$2,267,058	\$893,575	\$19,246	(\$27,832)	\$0	\$1,382,069	\$72,157	(\$2,093,720)	(\$639,494)	\$13,990,873	1.56%	\$18,518	\$18,518	\$14,009,390
	Jan-22	\$1,737,795	\$854,312	\$21,714	(\$32,356)	\$0	\$894,124	\$81,775	(\$3,119,082)	(\$2,143,182)	\$11,847,690	1.56%	\$16,795	\$35,313	\$11,883,003
	Feb-22	\$1,775,908	\$789,736	\$25,050	(\$244,732)	\$0	\$1,205,853	\$125,159	(\$2,365,855)	(\$1,034,843)	\$10,812,847	1.56%	\$14,729	\$50,042	\$10,862,889
	Mar-22	\$1,775,893	\$737,124	\$21,253	(\$147,788)	\$0	\$1,165,304	\$126,210	(\$2,020,744)	(\$729,230)	\$10,083,617	1.56%	\$13,583	\$63,625	\$10,147,242
	Apr-22	\$2,199,081	\$739,931	(\$23,426)	(\$106,183)	\$0	\$1,588,760	\$113,793	(\$1,260,558)	\$441,995	\$10,525,612	1.56%	\$13,396	\$77,021	\$10,602,633
	May-22	\$1,957,226	\$641,633	\$11,082	(\$106,183)	\$0	\$1,410,694	\$114,806	(\$604,422)	\$921,078	\$11,446,690	1.56%	\$14,282	\$91,303	\$11,537,993
	Jun-22	\$2,111,372	\$685,898	\$11,082	(\$106,183)	\$0	\$1,520,575	\$98,090	(\$453,583)	\$1,165,083	\$12,611,773	1.56%	\$15,638	\$106,941	\$12,718,714
Forecast	Jul-22	\$1,652,302	\$522,199	\$11,082	(\$106,183)	\$0	\$1,225,204	\$120,607	(\$353,550)	\$992,261	\$13,604,034	1.56%	\$17,040	\$123,981	\$13,728,015
	Aug-22	\$1,585,934	\$499,365	\$11,082	(\$106,183)	\$0	\$1,181,670	\$3,021	(\$334,641)	\$850,050	\$14,454,084	1.56%	\$18,238	\$142,219	\$14,596,303
	Sep-22	\$1,756,791	\$558,148	\$11,082	(\$106,183)	\$0	\$1,293,743	\$48,502	(\$363,879)	\$978,366	\$15,432,450	1.56%	\$19,426	\$161,645	\$15,594,095

Table in Swetz Testimony

1	Forecasted Total Over/(Under) Recovery Per Schedule SS-MAC-2	\$15,594,095
2	Forecasted Therms for October 1, 2022 to September 30, 2023	2,609,635,259
3=(1/2)*-1	Margin Adjustment Charge (Per Therm)	(\$0.005976)
4=3*1.06625	Margin Adjustment Charge (Including Sales and Use Tax)	(\$0.006372)
5	Existing Margin Adjustment Charge	(\$0.005821)
6=(3-5)*1	Margin Adjustment Charge Increase / (Decrease)	(\$404,493)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 43

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

Superseding

XXX Revised Sheet No. 43

MARGIN ADJUSTMENT CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG, TSG-F
(Per Therm)**

Margin Adjustment Charge	(\$0.005976) (\$0.005824)
Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT).....	(\$0.006372) (\$0.006207)

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 43

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

Superseding

XXX Revised Sheet No. 43

MARGIN ADJUSTMENT CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG, TSG-F
(Per Therm)**

Margin Adjustment Charge (\$0.005976)

Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT).....(\$0.006372)

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.