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October 14, 2022

In the Matter of the Petition of Public Service Electric and Gas
Company for Approval of a Zero Emission Certificate Recovery Charge

BPU Docket No.

VIA ELECTRONIC MAIL ONLY

Carmen Diaz, Acting Secretary
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Acting Secretary Diaz:

Enclosed for filing by Public Service Electric and Gas Company (the "Company"), please find an electronic copy of the Company's filing in accordance with the Board of Public Utilities' ("Board") Order in Docket Nos. EO18091004 and EO21101183, dated April 6, 2022.¹

The legislation establishing the Zero Emissions Certificate Recovery Charge ("ZECRC") directs the New Jersey Electric Distribution Companies ("EDCs") to return excess monies in each EDC's separate, interest bearing account to its retail distribution customers at the end of each energy year. In this filing, PSE&G is proposing to set its Refund of Excess Collections Credit Rate ("RECCR") to zero as of February 1, 2023 to prevent a future potential under-collection.

In October 2021, the Company filed to increase the RECCR (that is, to reduce the credit rate) from (\$0.000155) per kilowatt-hour (w/o SUT) to (\$0.000087) per kilowatt-hour (w/o SUT). The Company designed that proposed rate to return Energy Year 2021 over-collections of \$3,458,720 over a twelve-month period commencing January 1, 2022. However, the proposed rate did not become effective until May 1, 2022, resulting in an excess return of over collection to customers. As a result, the Company estimates an under-collected balance, including interest, of \$1,192,478 as of January 2023. Additionally, during Energy Year 2022, the Company's ZECRC over-collections totaled \$1,321,404. As a result, the estimated net balance for Energy years 2021 and 2022 would be an over-collected balance of only \$130,344 as of January 31, 2023. Given this small balance, the

¹ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, and In re the Petition of Public Service Electric and Gas Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 and EO21101183, Order dated April 6, 2022 (the "April 2022 Order").

Company is proposing to set the RECCR to zero beginning February 1, 2023. Any remaining balance due to customers, including interest, will be carried over to the next year's RECCR filing.

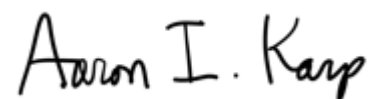
Any delay in approval of setting the RECCR to zero beyond February 1, 2023 could result in an under-collection. Depending on the length of delay in setting the RECCR to zero and Energy Year 2023 over-collection, a potential rate increase above the initially noticed ZECRC of \$0.004000 per kilowatt-hour (w/o SUT) is possible. Given the sensitivities around timing and potential for an under-collection and resulting rate increase, the Company also requests that the Board allow this and future RECCR filings to be handled similarly to BGS reconciliation filings each year through 30-day-notice compliance filings with provisional rates subject to additional examination by the Board.² Going forward, this will allow the Company to most efficiently handle the ZECRC collection balances. It would also help reduce regulatory expenses related to notice requirements of approximately \$50,000 per public notice.

This filing includes the following:

- Attachment A – Calculation of Return of Excess Collections Credit Rate
- Attachment B – Redlined and Clean Electric Tariff Sheets

Furthermore, as directed by the Board's Order in Docket No. EO20030254, dated March 19, 2020, the Company hereby submits this filing via electronic delivery only to the Board Secretary, and will suspend submitting such filings as paper documents until the Board directs otherwise.

Sincerely,

Handwritten signature of Aaron I. Karp in black ink.

cc Attached Service List (Electronic)

² PSE&G made this same request in its October 2021 RECCR filing reference above, but the Board declined to rule on that request in the April 2022 Order. See April 2022 Order at 3 ("The Board declines at this time to predetermine that PSE&G's future RECCR adjustment filings will not require, or will not otherwise justify according to the Board's discretion, the holding of public hearings.").

Public Service Electric and Gas Company

In the Matter of the Petition of Public Service Electric and Gas Company for Approval of
a Zero Emission Certificate Recovery Charge
BPU Docket No.

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PSE&G Zero Emission Certificate Recovery Charge (ZECRC) Calculation of Refund of Excess Collections Credit Rate (RECCR)

January 2023 Ending Credit Balance Including Interest	1,191,060
Balance for Energy Year 2022 Including Interest	(1,321,404)
Total Refund due Customers	(130,344)
 kWh Sales Forecast (January - December 2023)	 39,413,686,504
 Calculation of RECCR (w/o SUT)	 -0.000003
Proposed RECCR (w/o SUT)	<u>0.000000</u>
 <u>ZECRC</u>	
Current	
Charge	0.004000
Return of Excess Collections	<u>-0.000087</u>
Total Charge (w/o SUT)	0.003913
Total Charge (w SUT)	0.004172
 <u>Proposed</u>	
Charge	0.004000
Return of Excess Collections	<u>0.000000</u>
Total Charge (w/o SUT)	0.004000
 Total Charge (w SUT)	 0.004265
 Total ZECRC Change (w/ SUT)	 0.000093

PSE&G Zero Emission Certificate Recovery Charge Energy Year 2021 Refund of Excess Collections Credit Rate Balance

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Month</u>	<u>Return of Excess Collections Rate</u>	<u>Return of Excess Collections</u>	<u>Sales (MWh)</u>	<u>Cumulative ZEC Credit Balance</u>	<u>ZEC Revenue Average Monthly Balance</u>	<u>Interest Rate (Annualized)</u>	<u>Interest On ZEC Revenue Average Monthly Balance</u>	<u>Cumulative Interest</u>
December 2021				\$ 3,458,720				
January 2022	\$ (0.000155)	\$ (552,753)	3,566,149,281	\$ 2,905,967	\$ 3,182,344	0.16%	\$ 424	\$ 424
February 2022	\$ (0.000155)	\$ (472,145)	3,046,095,835	\$ 2,433,822	\$ 2,669,895	0.16%	\$ 356	\$ 780
March 2022	\$ (0.000155)	\$ (495,703)	3,198,081,175	\$ 1,938,120	\$ 2,185,971	0.16%	\$ 291	\$ 1,072
April 2022	\$ (0.000155)	\$ (424,519)	2,738,832,066	\$ 1,513,601	\$ 1,725,860	0.16%	\$ 230	\$ 1,302
May 2022	\$ (0.000087)	\$ (271,183)	3,117,042,726	\$ 1,242,418	\$ 1,378,009	0.16%	\$ 184	\$ 1,486
June 2022	\$ (0.000087)	\$ (315,283)	3,623,940,438	\$ 927,135	\$ 1,084,776	0.16%	\$ 145	\$ 1,630
July 2022	\$ (0.000087)	\$ (397,267)	4,566,291,374	\$ 529,868	\$ 728,501	0.16%	\$ 97	\$ 1,727
August 2022	\$ (0.000087)	\$ (386,513)	4,442,676,519	\$ 143,355	\$ 336,611	0.16%	\$ 45	\$ 1,772
September 2022 ¹	\$ (0.000087)	\$ (270,667)	3,111,119,283	\$ (127,313)	\$ (127,313)	0.16%	\$ (17)	\$ 1,755
October 2022 ¹	\$ (0.000087)	\$ (248,253)	2,853,485,076	\$ (375,566)	\$ (251,439)	0.16%	\$ (34)	\$ 1,722
November 2022 ¹	\$ (0.000087)	\$ (232,410)	2,671,381,837	\$ (607,976)	\$ (491,771)	0.16%	\$ (66)	\$ 1,656
December 2022 ¹	\$ (0.000087)	\$ (280,278)	3,221,590,565	\$ (888,254)	\$ (748,115)	0.16%	\$ (100)	\$ 1,556
January 2023 ¹	\$ (0.000087)	\$ (304,223)	3,496,818,321	\$ (1,192,478)	\$ (1,040,366)	0.16%	\$ (139)	\$ 1,418

January 2023 Ending Credit Balance Plus Cumulative Interest \$ (1,191,060)

¹ September 2022 through January 2023 Sales are estimated

**PSE&G Zero Emission Certificate Recovery Charge
Interest Calculation on Over Collection
Energy Year 2022**

[illegible]

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 61

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

Superseding
XXX Revised Sheet No. 61

ZERO EMISSION CERTIFICATE RECOVERY CHARGE

Charge
(per kilowatt-hour)

ZERO EMISSION CERTIFICATE RECOVERY CHARGE:

Charge.....	\$ 0.004000
Return of Excess Collections	(\$ 0.0000000-000087)
Total Charge	\$ 0.0040000-003913

Charge including New Jersey Sales and Use Tax (SUT)	\$ 0.0042650-004172
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ZERO EMISSION CERTIFICATE RECOVERY CHARGE

This charge provides for the recovery of costs associated with the Zero Emission Certificate Program directed by the Board of Public Utilities ("BPU" or "Board") as detailed below.

Pursuant to the BPU's Zero Emission Certificate Charge Order dated November 19, 2018 in Docket No. EO18091004, the Board approved the implementation of a non-bypassable, irrevocable ZEC Charge of \$0.004000 per kWh for all customers. The ZEC Charge reflects the emission avoidance benefits of the continued operation of selected nuclear plants as determined in L. 2018, c. 16 ("ZEC Law"). The ZEC Charge has been set at the rate specified in the ZEC Law and may be adjusted periodically by the Board, in accordance with the methodology provided for in the ZEC Law.

In accordance with the ZEC Law, the proceeds of the ZEC Charge will be placed in a separate, interest-bearing account and will be used solely to purchase ZECs and to reimburse the Board for its reasonable, verifiable costs incurred to implement the ZEC program. Refunds will be provided to the customers served under each of the Company's rate schedules in proportion to the ZEC Charge revenues contributed by the rate schedule.

The ZEC Charge will become effective upon the issuance of the April 2019 Board Order in Docket No. EO18080899.

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. 61

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

Superseding

XXX Revised Sheet No. 61

ZERO EMISSION CERTIFICATE RECOVERY CHARGE

**Charge
(per kilowatt-hour)**

ZERO EMISSION CERTIFICATE RECOVERY CHARGE:

Charge.....	\$ 0.004000
Return of Excess Collections	\$ 0.000000
Total Charge	\$ 0.004000

Charge including New Jersey Sales and Use Tax (SUT).....\$ 0.004265

ZERO EMISSION CERTIFICATE RECOVERY CHARGE

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