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December 13, 2023

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Changes in its Electric Conservation
Incentive Program
(2023 PSE&G Electric CIP Rate Filing)

BPU Docket No. ER23020061

VIA ELECTRONIC MAIL

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

Dear Secretary Golden:

Enclosed for filing by Public Service Electric and Gas Company (the “Company”), please find an electronic copy of the Company’s compliance filing in accordance with the Board of Public Utilities’ (“Board”) Order in the above-referenced Docket dated December 6, 2023.

The Company herewith files the following final tariff sheets, effective January 1, 2024, to its Tariff for Electric Service, B.P.U.N.J. No. 16 Electric as follows:

- Attachment A – Final 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.

Thank you for your attention and consideration in this matter. If you have any questions regarding this compliance filing, do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written over a light blue circular stamp.

Danielle Lopez

C Attached Service List (electronic only)

In the Matter of the Petition of Public
Service Electric and Gas Company for
Approval of Changes in its Electric
Conservation Incentive Program (2023
PSE&G Electric CIP Rate Filing)
BPU Docket No. ER23020061

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Fourth Revised Sheet No. 66

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

**Superseding
Third Revised Sheet No. 66**

CONSERVATION INCENTIVE PROGRAM

**CHARGE APPLICABLE TO
RATE SCHEDULES RS, RHS, RLM, GLP, LPL-S**

	Conservation Incentive Program	Conservation Incentive Program including SUT	
RS & RHS	\$0.000271	\$0.000289	Per kilowatt-hour
RLM	\$0.000965	\$0.001029	Per kilowatt-hour
GLP	\$1.2193	\$1.3001	Per kilowatt of monthly peak demand
LPL-S	\$1.0290	\$1.0972	Per kilowatt of monthly peak demand

Conservation Incentive Program

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Program mechanism shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Actual Number of Customers

– the Actual Number of Customers (“ANC”) shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program (“CIP”) Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company’s books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

2. Actual Revenue Per Customer

– the Actual Revenue per Customer (“ARC”) shall be determined in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The ARC shall equal the aggregate actual booked variable margin revenue per applicable rate schedule for the month as recorded on the Company’s books divided by the Actual Number of Customers for the corresponding month. Actual revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges as well as any Infrastructure Investment Program revenues, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Zero Emission Certificate Recovery Charge, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Tax Adjustment Credit.

3. Adjustment Period

– shall be the year beginning immediately following the conclusion of the Annual Period.

4. Annual Period

– shall be the twelve consecutive months from June 1 of one calendar year through May 31 of the following calendar year.

5. Average 13 Month Common Equity Balance

– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

Date of Issue: December 13, 2023

Effective: January 1, 2024

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

Filed pursuant to Order of Board of Public Utilities dated December 6, 2023
in Docket No. ER23020061

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 66B

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

**Superseding
Second Revised Sheet No. 66B**

**CONSERVATION INCENTIVE PROGRAM
(Continued)**

12. Normal Calendar Month HDD and THI

– the level of calendar month HDD and THI to which the weather portion of this CIP applies.

The normal calendar month HDD and THI will be based on the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station hourly observations at the Newark airport and will be updated annually. The base level of normal HDD and THI for the defined winter and summer period months for the 2022-2023 Periods are set forth in the table below:

Month	Normal Heating Degree Days	Normal Temperature Humidity Index
January 2023	989	
February 2023	838	
March 2023	684	
April 2023	354	187
May 2023	128	931
June 2022		3,043
July 2022		5,624
August 2022		4,861
September 2022		2,237
October 2022	228	414
November 2022	523	
December 2022	816	

13. Winter Period

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

14. Summer Period

– shall be the seven consecutive calendar months from April of one calendar year through October of the calendar year.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 66C

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

**Superseding
Second Revised Sheet No. 66C**

**CONSERVATION INCENTIVE PROGRAM
(Continued)**

15. Consumption Factors

– the use per HDD and THI component by month used in forecasting sales for the applicable rate schedules. These factors will be updated annually. Consumption Factors for the 2022-2023 Winter Period for HDD and 2022 Summer Period for THI are set forth below and presented as kWh per degree day:

Month	Consumption Factors (kWh per HDD and THI)					
	RS		RHS		RLM	
	HDD	THI	HDD	THI	HDD	THI
January 2023	469,298	150,909	11,303	409	6,341	1,577
February 2023	469,294	150,908	11,258	407	6,286	1,563
March 2023	469,288	150,906	11,276	408	6,207	1,543
April 2023	469,533	150,984	11,219	406	6,200	1,541
May 2023	469,777	151,063	11,163	404	6,193	1,540
June 2022	463,870	149,164	11,707	423	6,341	1,577
July 2022	461,601	148,434	11,568	418	6,287	1,563
August 2022	460,471	148,070	11,545	418	6,588	1,638
September 2022	461,466	148,390	11,469	415	6,061	1,507
October 2022	460,832	148,186	11,445	414	6,172	1,534
November 2022	461,133	148,283	11,350	410	6,412	1,594
December 2022	462,271	148,649	11,347	410	6,289	1,563

II. BASELINE REVENUE PER CUSTOMER

– the BRC for each Customer Class Group by month are as follows:

Month	RS & RHS	RLM	GLP	LPL-S
Jun	\$32.30	\$90.17	\$130.32	\$2,691.79
Jul	39.76	102.12	150.23	3,943.65
Aug	36.78	95.84	145.41	3,981.31
Sep	22.10	43.79	90.80	2,236.34
Oct	13.79	17.31	54.66	1,623.92
Nov	14.98	15.85	48.76	1,008.96
Dec	18.58	20.42	48.68	863.90
Jan	20.61	22.23	52.13	926.21
Feb	17.06	19.36	49.77	928.65
Mar	16.39	18.57	49.83	930.16
Apr	13.98	14.68	49.36	886.19
May	15.43	18.93	87.85	1,721.67
Total Annual	\$261.75	\$479.26	\$957.80	\$21,742.74

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 66D

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

**Superseding
Second Revised Sheet No. 66D**

**CONSERVATION INCENTIVE PROGRAM
(Continued)**

III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Revenue per Customer from the Actual Revenue per Customer by the Actual Number of Customers.

2. The weather related change in customer usage shall be calculated as the difference between actual HDD and THI and the above HDD and THI multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this rate schedule to determine the weather-related deficiency or excess. The weather-related amount will be subtracted from the total deficiency or excess to determine the non-weather related deficiency or excess.

3. Recovery of margin deficiency associated with non-weather related changes in customer usage will be subject to a BGS savings test and a Variable Margin Revenue recovery limitation ("recovery tests"). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Variable Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this rate schedule.

4. In addition, if the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's net income for the applicable period as defined in the Average 13 Month Common Equity Balance by the Company's average common equity balance for the same period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total operating income, any clause related Net Income, such as the Green Program's Recovery Charge and interest expenses. The Company's Average 13 Month Common Equity Balance shall be the ratio of Electric Distribution Net Plant (including the Electric Distribution allocation of Common Plant) to total PSE&G Net Plant for the Average 13 Month Common Equity Balance period multiplied by the Company's total common equity for the same period.

5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

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