



January 5, 2024

In the Matter of the Petition of
Public Service Electric and Gas Company's
2023 Annual Margin Adjustment Charge ("MAC")

BPU Docket No. GR23060330

VIA ELECTRONIC MAIL

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

Dear Secretary Golden:

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.

Sincerely,

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

Attachment

cc: Attached Service List (electronic only)

Public Service Electric and Gas Company
MAC 2023
Docket No. : GR23060330

Page 1 of 2

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Public Service Electric and Gas Company
MAC 2023
Docket No. : GR23060330

Page 2 of 2

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

IN THE MATTER OF PUBLIC SERVICE ELECTRIC)
AND GAS COMPANY’S 2023 ANNUAL MARGIN) BPU DOCKET NO. GR23060330
ADJUSTMENT CHARGE (“MAC”))

STIPULATION AND AGREEMENT

APPEARANCES:

Aaron I. Karp, Esq., Associate Counsel - Regulatory, for the Petitioner, Public Service Electric and Gas Company

Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel, **Megan Lupo**, Esq., Assistant Deputy Rate Counsel, **Mamie W. Purnell**, Esq., Assistant Deputy Rate Counsel, and **Maura Caroselli**, Esq., Manager of Gas & Clean Energy, for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Esq., Director)

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of New Jersey)

On January 9, 2002, the New Jersey Board of Public Utilities (“Board” or “BPU”) issued an Order directing Public Service Electric and Gas Company (“PSE&G” or “Company”) to implement a Margin Adjustment Charge (“MAC”) to credit the net revenues associated with Non-Firm Transportation Gas Service rates to certain customers on Rate Schedules Residential Service, General Service, Large Volume Service, Street Lighting Service and Firm Transportation Gas Service; the Company implemented its MAC on the same date.¹

By Board Order dated December 21, 2022, the Board approved PSE&G’s current MAC rate of (\$0.006207) per therm, including Sales and Use Tax (“SUT”), effective January 1, 2023.² On

¹ In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Gas Rates and for Changes in the Tariff for Gas Service B.P.U.N.J. No. 12, Gas Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. GR01050328, Order Adopting Initial Decision Approving Stipulation, Order dated January 9, 2002.

² In re the Petition of Public Service Electric and Gas Company’s 2022 Annual Margin Adjustment Charge (“MAC”), BPU Docket No. GR22060367, Decision and Order Approving Stipulation, Order dated December 21, 2022.

June 1, 2023, PSE&G filed a petition and supporting documentation with the Board requesting authorization to lower the Company's current MAC rate from (\$0.006207) per therm, including SUT, to (\$0.006755) per therm, including SUT ("June 2023 Petition"). The June 2023 Petition included actual results through April 2023, and projected results through September 2023, projecting an overall MAC rate decrease of \$1.434 million, including SUT. Because the June 2023 Petition requested a rate decrease, the Company did not notice public hearings at that time.

In response to discovery, PSE&G updated the projected data in the June 2023 Petition with actual data through September 2023 that supported an updated MAC rate of (\$0.006308) per therm, including SUT, which reflects an overall MAC rate decrease of \$264,296, including SUT. Because the updated calculated credit continues to result in a rate decrease, the Company proposed to implement a MAC rate of (\$0.006308) per therm, including SUT.

Upon review of the June 2023 Petition, with actual data through April 2023 and the updates provided in discovery that include actual data through September 2023, Board Staff, the New Jersey Division of Rate Counsel, and PSE&G (collectively, "Parties") agree as follows:

1. The Company will implement a MAC rate of (\$0.006308) per therm, including SUT, effective on a date approved by the Board. The MAC rate is subject to interest on any net over- or under-recovered MAC balance. Interest based upon the seven (7)-year Treasuries plus 60 basis points is to be adjusted August 1 of each year on any net over- or under-recovered MAC balance.³ A tariff sheet reflecting the stipulated MAC rate of (\$0.006308) per therm, including SUT, is attached hereto as Attachment A.

2. The Parties further agree to approve the actual MAC data through September 2023

³ Paragraph 12 of the Board's July 9, 2010 Order in BPU Docket No. GR09050422 directs that "[t]he Prospective MAC Balance will accrue two-way interest in the same manner as the existing MAC balance."

and actual results for October 1, 2023 forward will be reviewed in the Company's next MAC filing to be made by June 1, 2024.

3. As a result of the proposed rate decrease, the average monthly impact of the proposed rates on a typical residential gas customer using 172 therms in a winter month and 87 average monthly therms (1,040 annually) would be no change in the average monthly bill of \$93.22 based on current Delivery Rates and Basic Gas Supply Service charges in effect December 1, 2023. The residential customer bill impacts comparing the current and proposed charges are contained in Attachment B.⁴

4. This stipulation of settlement ("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), 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.

5. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.

6. 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, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement

⁴ The average monthly bill impacts may not decrease in direct relation to usage due to rounding.

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.

7. 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.

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

BY: Aaron I. Karp
Aaron I. Karp
Associate Counsel - Regulatory

DATED: January 5, 2024

MATTHEW J. PLATKIN,
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public
Utilities

BY: Matko Ilic
Matko Ilic
Deputy Attorney General

DATED: January 5, 2024

NEW JERSEY DIVISION OF RATE
COUNSEL,
BRIAN O. LIPMAN, DIRECTOR

BY: /s/ Sarah H. Steindel
Sarah H. Steindel
Assistant Deputy Rate Counsel

DATED: January 5, 2024

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

XXX Revised Sheet No. 43

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.....	(\$0.005916)
	(\$0.005821)

Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT).....	(\$0.006308)
	(\$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.

Date of Issue:

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
in Docket No.

Effective:

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 (\$0.005916)

Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT).....(\$0.006308)

Margin Adjustment Charge

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TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the Margin Adjustment Clause (MAC) on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service - Average Monthly Bill				
If Your Average Monthly Therm Use Is:	Then Your Present Monthly Bill (1) Would Be:	And Your Proposed Monthly Bill (2) Would Be:	Your Monthly Bill Change Would Be:	And Your Percent Change Would Be:
14	\$22.23	\$22.23	\$0.00	0.00 %
28	35.82	35.82	0.00	0.00
51	58.24	58.23	(0.01)	(0.02)
87	93.22	93.22	0.00	0.00
100	106.28	106.27	(0.01)	(0.01)
151	156.30	156.29	(0.01)	(0.01)

(1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2024, and assumes that the customer receives commodity service from Public Service.

(2) Same as (1) except includes decrease in the MAC.

Residential Gas Service - Monthly Winter Bill				
If Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
25	\$33.15	\$33.15	\$0.00	0.00 %
50	57.68	57.67	(0.01)	(0.02)
100	107.85	107.84	(0.01)	(0.01)
172	179.30	179.29	(0.01)	(0.01)
201	208.17	208.15	(0.02)	(0.01)
300	306.29	306.26	(0.03)	(0.01)

(3) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2024, and assumes that the customer receives commodity service from Public Service.

(4) Same as (3) except includes decrease in the MAC.