



April 3, 2024

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

Docket No. GR23060332

**VIA ELECTRONIC MAIL**

Sherri Golden, Board Secretary  
Board of Public Utilities  
44 South Clinton Avenue  
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.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", with a long, sweeping flourish extending upwards and to the right.

C Attached Service List (E-Mail)

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

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

<b>IN THE MATTER OF THE PETITION OF</b>	)	
<b>PUBLIC SERVICE ELECTRIC AND GAS</b>	)	
<b>COMPANY FOR APPROVAL OF CHANGES</b>	)	
<b>IN ITS GAS CONSERVATION INCENTIVE</b>	)	
<b>PROGRAM 2023 PSE&amp;G GAS</b>	)	<b>BPU DOCKET NO. GR23060332</b>
<b>CONSERVATION INCENTIVE PROGRAM</b>	)	
<b>RATE FILING</b>	)	

**STIPULATION AND AGREEMENT FOR FINAL RATES**

**APPEARANCES:**

**Danielle Lopez, Esq.**, Associate Counsel—Regulatory General, for the Petitioner, Public Service Electric and Gas Company

**Maura Caroselli**, Esq., Managing Attorney – Gas, **Megan Lupo**, Esq., Assistant Deputy Rate Counsel and **Mamie W. Purnell**, Esq., for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, 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 June 1, 2023, Public Service Electric and Gas Company (“PSE&G” or “Petitioner”) filed a petition and supporting documentation with the New Jersey Board of Public Utilities (“Board” or “BPU”), requesting a rate adjustment related to changes in the average revenue per customer when compared to a baseline revenue per customer—pursuant to N.J.S.A. 48:2-21 and the Clean Energy Future – Energy Efficiency Program (“CEF-EE”) Board Order dated September 23, 2020 (“June 2023 Petition”).<sup>1</sup> In the CEF-EE Order, the Board approved a stipulation and a Conservation Incentive Program (“CIP”) that allowed the Company to account for potential lost sales revenue resulting from the implementation of energy efficiency and its associated decreases

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<sup>1</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Its Clean Energy Future-Energy Efficiency (“CEF-EE”) Program on a Regulated Basis, BPU Docket Nos. EO18101113 and GO18101112, Order dated September 23, 2020 (“CEF-EE Order”).

in customer energy usage (“CEF-EE Stipulation”). Paragraph 39 of the CEF-EE Stipulation explicitly authorized the Company to file its first gas CIP (“GCIP”) cost recovery filing by June 1, 2023, for new rates effective October 1, 2023. The CEF-EE Stipulation further provided that the recovery of lost revenues, if any, was to be made via a CIP based on the methodology set forth below, and as detailed in Attachments 5 and 6G to the CEF-EE Stipulation.

For the Company’s GCIP, the baseline revenue per customer is based upon the billing determinants from the 2018 base rate case and the latest variable margin rates per rate schedule, including any Infrastructure Investment Program (“IIP”) rate adjustments. The baseline usage and margin rates will be updated with each subsequent base rate case or IIP rate adjustment. To determine the recovery eligibility for CIP accruals, the margin impact of changes in customer usage will be segregated into non-weather and weather-related components.

The non-weather component will be calculated by deducting the weather component from the total GCIP deferral. For gas, the weather impact will be calculated in the same manner as it is calculated for the Company’s previous Weather Normalization Charge (“WNC”). Recovery of non-weather related GCIP impacts shall be subject to the application of two (2) eligibility tests: a Modified BGSS Savings Test and a Variable Margin Test.

The dual cost recovery tests work together so that the total non-weather recoverable amount is limited to the smaller of the two (2) recoverable amounts allowed under the separate Modified BGSS Savings Test and Variable Margin Test for Gas. Any amounts that exceed the lesser of the Modified BGSS Savings Test and Variable Margin Test for Gas may be deferred for future recovery subject to the earnings test described below. The Company agreed to not seek recovery of interest on any deferred carry-forward amount.

The Company also agreed to include an earnings test that applies to both the weather-related and non-weather-related components of the CIP. Under the earnings test, the Company's actual return on equity ("ROE") is determined based upon the actual jurisdictional net income of the utility for the most recent 12-month period divided by the average of the beginning and ending common equity balances related to jurisdictional activity for the corresponding period, as specified in more detail in the Company's electric and gas tariffs. 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 and shall not be carried over to subsequent filing periods.

To implement initiatives to further customer conservation efforts, the Company agreed to provide funding in the amount of \$3.3 million per year ("shareholder contribution") as long as the CIP remains in place, commencing with the start of the CIP deferrals, as defined below. All shareholder contribution expenditures were to be allocated 55% to electric distribution (or approximately \$1.8 million and 45% to gas distribution (or approximately \$1.5 million). Any under-spend in a year was to be factored into the following year's spending amount. The shareholder contribution is not included in customer rates and will support initiatives designed to aid customers in reducing their costs of natural gas and electricity, and to reduce peak demand. The parties to the CEF-EE Stipulation further agreed that PSE&G's first GCIP cost recovery filing would be based upon an initial deferral period of October 1, 2021 through September 30, 2022, and that the Company would not record any GCIP deferral prior to October 1, 2021. The GCIP would be adjusted annually thereafter. The initial GCIP filing was approved on April 12, 2023.

The current petition is for the second GCIP cost recovery period and sought new rates effective October 1, 2023 based upon a deferral period of October 1, 2022 through September 30, 2023.

The CIP margin deficiency to be collected from customers or the margin excess to be refunded to customers is calculated each month by applicable rate schedules by subtracting the baseline use per customer from the actual use per customer and multiplying the resulting use per customer by the actual number of customers and the per therm margin rate for each applicable rate schedule. The Company's total estimated deferral for the GCIP was \$109,934,665, representing \$10,253,880 of non-weather related gas distribution margin credit, \$109,219,047 related to weather related gas distribution margin, and \$2,840 for the WNC ending balance transferred to GCIP from October 2022 through March 2023, and the GCIP carry-forward amount of \$10,966,659. The estimated deferral was based upon actual results from October 2022 through April 2023, and forecasted results from May through September 2023.

The application of the Variable Margin Test and the BGSS Savings Test were not forecasted to result in any limitation in the recovery of the non-weather component. The Company also forecasted that it would pass the Earnings Test for recovery of the weather and non-weather components.

Notice of the Company's June 2023 Petition, including the date, time and virtual details for the public hearings, was placed in newspapers having a circulation within the Company's service territory, and served on the Clerks of the municipalities, the Clerks of the Board of County Commissioners, and the County Executives within the Company's electric service territory. Virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on September 5, 2023.<sup>2</sup> Four (4)

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<sup>2</sup> The hearings were conducted virtually due to the COVID-19 pandemic.

members of the public appeared and spoke at the 4:30 p.m. public hearing to express concerns about the high levels of compensation paid to the Company's officers, and to express general opposition to rate increases and disconnections. No written comments were received by the Board.

Thereafter, upon review of the June 2023 Petition and all discovery, both propounded and received in this matter, Board Staff, the New Jersey Division of Rate Counsel ("Rate Counsel"), and PSE&G, the only parties to this proceeding (collectively, "Parties"), entered into a stipulation by which the Parties agreed the Company would implement provisional GCIP rates to recover \$109,934,665. On September 27, 2023, the Board approved the stipulation to implement the GCIP rates on a provisional basis subject to refund with interest.

Subsequently, on December 19, 2023, pursuant to discovery request RCR-A-0022 (attached hereto as Exhibit A), the Company submitted a discovery response that provided an update to its schedules and Shareholder Contribution spending with actual data through September 30, 2023, replacing forecasted financial data from May 1, 2023 through September 30, 2023. The Company's updated, actual, GCIP calculation for May through September 2023 reflects an under-collection of \$109,938,429 representing \$14,415,828 of non-weather related gas distribution margin credit, \$113,390,622 for the weather-related component and \$3,758 for the WNC ending balance as of September 30, 2023 that is to be included in the GCIP deferral in accordance with the CEF-EE Order approving the CIP. The GCIP under collection as of September 30, 2023 represents an increase over the approved amount of \$109,934,665 and the difference will be included in the Company's next GCIP filing.

The Parties completed their review of the June 2023 Petition and responses to discovery, and now HEREBY STIPULATE AND AGREE as follows:



1. The Company's final GCIP deferral for the October 2022 – September 2023 recovery period is \$109,938,429.
2. The Company passed the Earnings Test that would preclude recovery of the GCIP deferral.
3. The provisional rates effective October 1, 2023, to recover \$109,934,665, shall be approved as final, resulting in a carry-forward balance of \$3,763 to be recovered in a subsequent GCIP filing.
4. The Company shall implement, as final, the GCIP rates set forth in Schedule SS-GCIP-2, attached hereto as Exhibit B. The tariff sheets showing the agreed upon GCIP rates are attached hereto as Exhibit C.
5. The actual GCIP results through September 30, 2023 are prudent and reasonable.
6. In accordance with the final rates set forth in Exhibit C, the Company's typical residential gas heating customer using 172 therms per month during the winter months and 87 average monthly therms (1,040 therms annually) would experience no change in their average monthly bill of \$94.92 (based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect March 1, 2024 and assuming that the customer receives commodity service from PSE&G).
7. 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), then 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.

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

9. 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, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement 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.

10. 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.

11. **WHEREFORE**, the Parties hereto respectfully submit this Stipulation to the BPU and recommend that it issue a Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**



BY: \_\_\_\_\_

**Danielle Lopez, Esq.**  
**Associate Counsel, Regulatory**

DATED: April 1, 2024

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

BY:  \_\_\_\_\_

**Matko Ilic**  
**Deputy Attorney General**

DATED: April 1, 2024

**NEW JERSEY DIVISION OF RATE COUNSEL**  
**BRIAN LIPMAN, DIRECTOR**

BY:  \_\_\_\_\_

**Mamie W. Purnell, Esq.**  
**Assistant Deputy Rate Counsel**

DATED: April 1, 2024

Public Service Electric and Gas Company  
Case Name: GCIP - 2023  
Docket No(s): GR23060332

Response to Discovery Request: RCR-A-0022  
Date of Response: December 19, 2023  
Witness: Swetz, Stephen  
Attachment A and D Actuals through September

Question:

Please update the responses to RCR-A-17 Attachments A and D based on actual data through September 2023.

Attachments Provided Herewith: 2

RCR\_A\_0022\_Attachment D \_ SS\_GCIP\_2 \_ Rate Calculations (Sep Act).xlsx  
RCR\_A\_0022\_Attachment A \_ PS Modified CIP \_ Gas (Sep Act).xlsx

Response:

The following attachments have been updated for actual data through September 30, 2023:

- Attachment A – PS Modified CIP – Gas (Sep Act).xlsx
- Attachment D – SS-GCIP-2 – Rate Calculations (Sep Act).xlsx

Public Service Electric and Gas Company  
Conservation Incentive Program  
Group I: Residential Heat & Non-Heating  
October 2022 - September 2023

Customer	Actual/ Class	Actual per Books <sup>1</sup>		Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. <sup>2</sup> (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class	Number of						
		Therms	Customers						
(a)	Estimate	(b)	(c)						
Residential RSG									
Oct-22	Act	76,737,759	1,699,041	45.2	38.7	6.5	10,992,795	\$0.4184	\$4,599,616
Nov-22	Act	141,365,764	1,701,243	83.1	87.6	(4.5)	(7,655,595)	\$0.4184	(\$3,203,262)
Dec-22	Act	249,017,473	1,706,163	146.0	144.9	1.0	1,791,472	\$0.4299	\$770,132
Jan-23	Act	213,549,336	1,708,794	125.0	180.6	(55.6)	(95,060,198)	\$0.4299	(\$40,865,239)
Feb-23	Act	213,535,674	1,708,876	125.0	153.5	(28.5)	(48,771,317)	\$0.4299	(\$20,966,204)
Mar-23	Act	195,057,559	1,707,216	114.3	124.5	(10.3)	(17,498,962)	\$0.4299	(\$7,522,594)
Apr-23	Act	90,238,816	1,708,740	52.8	70.4	(17.6)	(30,056,732)	\$0.4299	(\$12,921,028)
May-23	Act	57,398,770	1,707,607	33.6	37.0	(3.4)	(5,788,789)	\$0.4321	(\$2,501,046)
Jun-23	Act	36,616,635	1,707,946	21.4	21.0	0.4	751,496	\$0.4375	\$328,767
Jul-23	Act	31,960,979	1,710,698	18.7	18.0	0.7	1,163,275	\$0.4375	\$508,913
Aug-23	Act	28,923,848	1,715,113	16.9	18.0	(1.1)	(1,955,229)	\$0.4375	(\$855,380)
Sep-23	Act	32,151,876	1,708,839	19	19.5	(0.7)	(1,162,010)	\$0.4375	(\$508,360)
Total		1,366,554,490		800.6	913.7		(193,249,795)		(\$83,135,684)

Margin Deficiency/ (Credit)	\$ 83,135,684
Prior Period (Over) / Under Recovery <sup>3</sup>	\$ 10,667,362
Total Deficiency/(Credit)	\$ 93,803,046
Projected Residential Non-Heating Throughput for Recovery Period	1,541,119,719
Pre-tax CIP Charge/(Credit)	\$ 0.060867
BPU/RC Assessment Factor	1.002600
CIP Charge/(Credit) including assessments	\$ 0.061025
6.625% Sales Tax	\$ 0.004043
<b>Proposed After-tax CIP Charge/(Credit) per Therm</b>	<b>\$ 0.065068</b>
Current After-tax CIP Charge/(Credit) per Therm	\$ 0.029180
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	\$ 0.035888

<sup>1</sup> Per Schedule 1, Page 2<sup>2</sup> From 2018 Base Rate Case<sup>3</sup> Per Schedule 1, Page 3

Public Service Electric and Gas Company  
Customers and Therms**Group I: Residential Heat & Non-Heating**

	Act <u>Oct-22</u>	Act <u>Nov-22</u>	Act <u>Dec-22</u>	Act <u>Jan-23</u>	Act <u>Feb-23</u>	Act <u>Mar-23</u>	Act <u>Apr-23</u>	Act <u>May-23</u>	Act <u>Jun-23</u>	Act <u>Jul-23</u>	Act <u>Aug-23</u>	Act <u>Sep-23</u>	
<b>Customers</b>													
RSG heating	1,477,728	1,479,616	1,484,291	1,489,159	1,490,148	1,489,472	1,490,614	1,490,906	1,490,190	1,492,468	1,495,849	1,491,015	
RSG non-heating	221,313	221,627	221,872	219,634	218,727	217,744	218,125	216,701	217,756	218,230	219,265	217,824	
<b>Total Customers</b>	<b>1,699,041</b>	<b>1,701,243</b>	<b>1,706,163</b>	<b>1,708,794</b>	<b>1,708,876</b>	<b>1,707,216</b>	<b>1,708,740</b>	<b>1,707,607</b>	<b>1,707,946</b>	<b>1,710,698</b>	<b>1,715,113</b>	<b>1,708,839</b>	
<b>Volumes</b>													
RSG heating	74,734,509	138,560,928	244,802,590	209,066,464	210,475,643	191,991,670	88,569,853	55,677,639	35,030,084	30,439,187	27,460,910	30,612,126	1,337,421,601
RSG non-heating	2,003,251	2,804,836	4,214,883	4,482,872	3,060,031	3,065,890	1,668,964	1,721,131	1,586,551	1,521,792	1,462,938	1,539,750	29,132,889
<b>Total Volumes</b>	<b>76,737,759</b>	<b>141,365,764</b>	<b>249,017,473</b>	<b>213,549,336</b>	<b>213,535,674</b>	<b>195,057,559</b>	<b>90,238,816</b>	<b>57,398,770</b>	<b>36,616,635</b>	<b>31,960,979</b>	<b>28,923,848</b>	<b>32,151,876</b>	<b>1,366,554,490</b>

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group I: Residential Heat & Non-Heating**  
**October 2022 - September 2023**

	Act <u>Oct-22</u>	Act <u>Nov-22</u>	Act <u>Dec-22</u>	Act <u>Jan-23</u>	Act <u>Feb-23</u>	Act <u>Mar-23</u>	Act <u>Apr-23</u>	Act <u>May-23</u>	Act <u>Jun-23</u>	Act <u>Jul-23</u>	Act <u>Aug-23</u>	Act <u>Sep-23</u>	TOTAL
Beginning Under/(Over) Recovery \$	47,953,801	45,860,011	42,002,846	35,208,405	29,381,711	23,555,390	18,233,245	15,771,079	14,204,953	13,205,868	12,333,813	11,544,626	47,953,801
Therm Sales	76,737,759	141,365,764	249,017,473	213,549,336	213,535,674	195,057,559	90,238,816	57,398,770	36,616,635	31,960,979	28,923,848	32,151,876	1,366,554,490
Pre-tax Recovery Rate per Therm <sup>1</sup>	0.0273	0.0273	0.0273	0.0273	0.0273	0.0273	0.0273	0.0273	0.0273	0.0273	0.0273	0.0273	
Recovery \$	2,093,790	3,857,165	6,794,442	5,826,694	5,826,321	5,322,146	2,462,166	1,566,125	999,085	872,055	789,187	877,264	37,286,439
Ending Under/(Over) Recovery \$	45,860,011	42,002,846	35,208,405	29,381,711	23,555,390	18,233,245	15,771,079	14,204,953	13,205,868	12,333,813	11,544,626	10,667,362	10,667,362

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

Public Service Electric and Gas  
Conservation Incentive Program  
Group II: General Service Gas (GSG)  
October 2022 - September 2023

Customer Class	Actual/ Estimate	Actual per Books <sup>1</sup>		Actual Avg. Use / Cust.	Baseline Use / Cust. <sup>2</sup>	Difference	Aggregate Therm Impact	Margin Factor	Margin Variance
		Total Class Therms	Number of Customers						
(a)		(b)	(c)	(d) = (b) / (c)	(e)	(f) = (d) - (e)	(g) = (f) * (c)		
<b>General Service Small</b>									
Oct-22	Act	12,147,145	139,376	87.2	110.8	(23.7)	(3,296,242)	\$0.3186	(\$1,050,054)
Nov-22	Act	26,331,722	139,632	188.6	172.0	16.6	2,315,097	\$0.3186	\$737,500
Dec-22	Act	46,985,611	138,159	340.1	320.4	19.7	2,718,974	\$0.3244	\$881,997
Jan-23	Act	39,560,986	140,576	281.4	421.1	(139.7)	(19,635,606)	\$0.3244	(\$6,369,516)
Feb-23	Act	40,074,465	140,886	284.5	351.6	(67.2)	(9,460,495)	\$0.3244	(\$3,068,852)
Mar-23	Act	37,330,764	141,065	264.6	275.8	(11.2)	(1,574,282)	\$0.3244	(\$510,675)
Apr-23	Act	16,769,742	140,696	119.2	170.7	(51.5)	(7,247,267)	\$0.3244	(\$2,350,912)
May-23	Act	11,447,173	139,617	82.0	80.1	1.9	263,876	\$0.3255	\$85,888
Jun-23	Act	8,111,034	139,559	58.1	49.2	8.9	1,244,868	\$0.3282	\$408,613
Jul-23	Act	6,646,172	139,258	47.7	58.5	(10.8)	(1,499,805)	\$0.3282	(\$492,293)
Aug-23	Act	7,152,602	140,008	51.1	50.5	0.6	82,605	\$0.3282	\$27,114
Sep-23	Act	6,746,643	139,574	48.3	52.6	(4.3)	(594,584)	\$0.3282	(\$195,165)
Total		259,304,060		1,852.8	2,113.3		(36,682,862)		(\$11,896,356)

Margin Deficiency/ (Credit)	\$ 11,896,356
Prior Period (Over) / Under Recovery <sup>3</sup>	\$ 533,703
Total Deficiency/(Credit)	\$ 12,430,059
Projected Commercial Throughput for Recovery Period	292,705,536
Pre-tax CIP Charge/(Credit)	\$ 0.042466
BPU/RC Assessment Factor	1.002600
CIP Charge/(Credit) including assessments	\$ 0.042576
6.625% Sales Tax	\$ 0.002821
<b>Proposed After-tax CIP Charge/(Credit) per Therm</b>	<b>\$ 0.045397</b>
Current After-tax CIP Charge/(Credit) per Therm	\$ 0.029649
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	\$ 0.015748

<sup>1</sup> Per Schedule 2, Page 2<sup>2</sup> From 2018 Base Rate Case<sup>3</sup> Per Schedule 2, Page 3



Public Service Electric and Gas  
Customers and Therms**Group II: General Service Gas (GSG)**

	Act Oct-22	Act Nov-22	Act Dec-22	Act Jan-23	Act Feb-23	Act Mar-23	Act Apr-23	Act May-23	Act Jun-23	Act Jul-23	Act Aug-23	Act Sep-23	
<b>Customers</b>													
GSG Heating	114,205	114,618	113,416	115,407	115,669	115,803	115,542	114,614	114,478	114,295	114,906	114,526	
GSG Non-Heating	25,171	25,014	24,743	25,169	25,217	25,261	25,154	25,003	25,081	24,962	25,101	25,047	
<b>Total Customers</b>	139,376	139,632	138,159	140,576	140,886	141,065	140,696	139,617	139,559	139,258	140,008	139,574	
<b>Volumes</b>													
GSG Heating	9,877,237	22,769,028	41,489,374	34,672,378	35,213,663	32,566,822	13,924,498	9,091,511	6,109,766	4,875,345	5,332,716	5,016,744	220,939,080
GSG Non-Heating	2,269,908	3,562,694	5,496,237	4,888,609	4,860,802	4,763,942	2,845,244	2,355,662	2,001,268	1,770,827	1,819,885	1,729,900	38,364,979
<b>Total Volumes</b>	12,147,145	26,331,722	46,985,611	39,560,986	40,074,465	37,330,764	16,769,742	11,447,173	8,111,034	6,646,172	7,152,602	6,746,643	259,304,060

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group II: General Service Gas (GSG)**  
**October 2022 - September 2023**

	Act <u>Oct-22</u>	Act <u>Nov-22</u>	Act <u>Dec-22</u>	Act <u>Jan-23</u>	Act <u>Feb-23</u>	Act <u>Mar-23</u>	Act <u>Apr-23</u>	Act <u>May-23</u>	Act <u>Jun-23</u>	Act <u>Jul-23</u>	Act <u>Aug-23</u>	Act <u>Sep-23</u>	TOTAL
Beginning Under/(Over) Recovery \$	7,722,649	7,385,881	6,655,861	5,353,232	4,256,443	3,145,418	2,110,460	1,645,536	1,328,174	1,103,304	919,046	720,747	7,722,649
Therm Sales	12,147,145	26,331,722	46,985,611	39,560,986	40,074,465	37,330,764	16,769,742	11,447,173	8,111,034	6,646,172	7,152,602	6,746,643	259,304,060
Pre-tax Recovery Rate per Therm <sup>1</sup>	0.0277	0.0277	0.0277	0.0277	0.0277	0.0277	0.0277	0.0277	0.0277	0.0277	0.0277	0.0277	
Recovery \$	336,767	730,021	1,302,629	1,096,789	1,111,024	1,034,958	464,924	317,361	224,870	184,258	198,299	187,044	7,188,946
Ending Under/(Over) Recovery \$	7,385,881	6,655,861	5,353,232	4,256,443	3,145,418	2,110,460	1,645,536	1,328,174	1,103,304	919,046	720,747	533,703	533,703

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

Public Service Electric and Gas Company  
Conservation Incentive Program  
Group III: Large Volume Gas (LVG)  
October 2022 - September 2023

Customer Class	Actual/ Estimate	Actual per Books <sup>1</sup>		Large Customer Adjustment	Adjusted Number of Customers	Actual Avg. Use / Cust. <sup>2</sup>	Baseline Use / Cust.	Difference	Aggregate Therm Impact	Margin Factor	Margin Variance
		Total Class Therms	Number of Customers								
(a)		(b)	(c1)	(c2)	(c) = (c1) + (c2)	(d) = (b) / (c)	(e)	(f) = (d) - (e)	(g) = (f) * (c)		
<u>General Service Large</u>											
Oct-22	Act	48,377,923	19,429	-	19,429	2,490.0	2,350.0	140.0	2,719,131	\$0.0452	\$122,801
Nov-22	Act	66,036,511	19,528	-	19,528	3,381.6	3,486.2	(104.6)	(2,042,044)	\$0.0452	(\$92,223)
Dec-22	Act	106,972,917	19,157	-	19,157	5,584.1	5,220.9	363.2	6,957,893	\$0.0460	\$320,007
Jan-23	Act	95,581,335	19,457	-	19,457	4,912.3	6,506.4	(1,594.1)	(31,016,538)	\$0.0460	(\$1,426,513)
Feb-23	Act	99,304,324	19,680	-	19,680	5,046.0	5,940.9	(894.9)	(17,612,395)	\$0.0460	(\$810,029)
Mar-23	Act	96,465,200	19,891	-	19,891	4,849.7	5,478.7	(629.0)	(12,511,185)	\$0.0460	(\$575,414)
Apr-23	Act	51,293,227	19,654	-	19,654	2,609.8	3,703.5	(1,093.7)	(21,495,101)	\$0.0460	(\$988,603)
May-23	Act	37,715,241	19,547	-	19,547	1,929.5	2,037.8	(108.3)	(2,116,693)	\$0.0461	(\$97,679)
Jun-23	Act	22,955,791	19,344	-	19,344	1,186.7	1,477.0	(290.3)	(5,615,406)	\$0.0465	(\$261,330)
Jul-23	Act	25,694,637	19,458	-	19,458	1,320.5	1,374.6	(54.1)	(1,052,487)	\$0.0465	(\$48,981)
Aug-23	Act	25,208,954	19,644	-	19,644	1,283.3	1,379.9	(96.6)	(1,898,021)	\$0.0465	(\$88,330)
Sep-23	Act	25,860,242	19,492	-	19,492	1,327	1,322.8	3.9	76,020	\$0.0465	\$3,538
Total		701,466,302				35,920.2	40,278.7		(85,606,826)		(\$3,942,755)

Margin Deficiency/ (Credit)	\$	3,942,755
Prior Period (Over) / Under Recovery <sup>3</sup>	\$	(241,189)
Total Deficiency/(Credit)	\$	3,701,566
Projected Commercial Throughput for Recovery Period		759,862,139
Pre-tax CIP Charge/(Credit)	\$	0.004871
BPU/RC Assessment Factor	\$	1.002600
CIP Charge/(Credit) including assessments	\$	0.004884
6.625% Sales Tax	\$	0.000324
<b>Proposed After-tax CIP Charge/(Credit) per Therm</b>	<b>\$</b>	<b>0.005208</b>
Current After-tax CIP Charge/(Credit) per Therm	\$	0.004029
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	\$	0.001179

<sup>1</sup> Per Schedule 3, Page 2<sup>2</sup> From 2018 Base Rate Case<sup>3</sup> Per Schedule 3, Page 3

Public Service Electric and Gas Company  
Customers and ThermsGroup III: Large Volume Gas (LVG)

		Act Oct-22	Act Nov-22	Act Dec-22	Act Jan-23	Act Feb-23	Act Mar-23	Act Apr-23	Act May-23	Act Jun-23	Act Jul-23	Act Aug-23	Act Sep-23	
<b>Customers</b>														
LVG		19,429	19,528	19,157	19,457	19,680	19,891	19,654	19,547	19,344	19,458	19,644	19,492	
<b>Total Customers</b>		19,429	19,528	19,157	19,457	19,680	19,891	19,654	19,547	19,344	19,458	19,644	19,492	
<b>Volumes</b>														
LVG		48,377,923	66,036,511	106,972,917	95,581,335	99,304,324	96,465,200	51,293,227	37,715,241	22,955,791	25,694,637	25,208,954	25,860,242	701,466,302
<b>Total Volumes</b>		48,377,923	66,036,511	106,972,917	95,581,335	99,304,324	96,465,200	51,293,227	37,715,241	22,955,791	25,694,637	25,208,954	25,860,242	701,466,302

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group III: Large Volume Gas (LVG)**  
**October 2022 - September 2023**

	Act <u>Oct-22</u>	Act <u>Nov-22</u>	Act <u>Dec-22</u>	Act <u>Jan-23</u>	Act <u>Feb-23</u>	Act <u>Mar-23</u>	Act <u>Apr-23</u>	Act <u>May-23</u>	Act <u>Jun-23</u>	Act <u>Jul-23</u>	Act <u>Aug-23</u>	Act <u>Sep-23</u>	TOTAL
Beginning Under/(Over) Recovery \$	2,401,234	2,218,995	1,970,235	1,567,268	1,207,213	833,134	469,750	276,528	134,455	47,980	(48,811)	(143,774)	2,401,234
Therm Sales	48,377,923	66,036,511	106,972,917	95,581,335	99,304,324	96,465,200	51,293,227	37,715,241	22,955,791	25,694,637	25,208,954	25,860,242	701,466,302
Pre-tax Recovery Rate per Therm <sup>1</sup>	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038	
Recovery \$	182,240	248,760	402,967	360,055	374,079	363,384	193,222	142,073	86,474	96,792	94,962	97,416	2,642,424
Ending Under/(Over) Recovery \$	2,218,995	1,970,235	1,567,268	1,207,213	833,134	469,750	276,528	134,455	47,980	(48,811)	(143,774)	(241,189)	(241,189)

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

**Public Service Electric and Gas**  
**Weather Normalization**  
**2022-2023 Winter Period**

**Step 1: Determine the degree day variance from the dead band.**

	Normal Degree Days	0.50% Dead Band	Low End	Dead Band High End	Actual Degree Days	Normalization Amount (1)
October	228	1	226	229	270	(42)
November	523	3	520	525	437	83
December	816	4	812	820	813	(1)
January	989	5	984	994	660	324
February	838	4	834	842	665	169
March	684	3	681	688	619	61
April	354	2	352	356	245	108
May	128	1	127	129	88	39

**Step 2: Determine the normalized volumes by rate class.**

	Therms Per Degree Day (2)			Normalization Volumes (3)		
	RSG	GSG	LVG	RSG	GSG	LVG
October	161,976	-	97,276	(6,738,202)	-	(4,046,682)
November	251,722	40,965	97,271	20,837,967	3,391,110	8,052,255
December	281,419	57,828	97,266	(187,144)	(38,456)	(64,682)
January	310,413	58,579	96,300	100,695,390	19,002,504	31,238,918
February	297,943	60,116	96,293	50,268,446	10,142,698	16,246,394
March	297,388	60,569	96,286	18,288,823	3,724,861	5,921,415
April	295,011	61,802	96,277	31,735,317	6,648,291	10,356,838
May	215,086	26,426	96,266	8,466,860	1,040,275	3,789,511

**Step 3: Calculate the margin revenue to be deferred.**

Margin Revenue Factor:	Margin Revenue Deferral (4)		
October 2022 - November 2022	0.418421	0.318561	0.045162
December 2022 - April 2023	0.429888	0.324386	0.045992
May 2023	0.432050	0.325485	0.046147
			Total
October	\$ (2,819,405)	\$ -	\$ (182,756)
November	\$ 8,719,043	\$ 1,080,275	\$ 363,656
December	\$ (80,451)	\$ (12,475)	\$ (2,975)
January	\$ 43,287,740	\$ 6,164,146	\$ 1,436,740
February	\$ 21,609,802	\$ 3,290,149	\$ 747,204
March	\$ 7,862,146	\$ 1,208,293	\$ 272,338
April	\$ 13,642,632	\$ 2,156,613	\$ 476,332
May	\$ 3,658,107	\$ 338,594	\$ 174,875
Winter Period Total	\$ 95,879,613	\$ 14,225,596	\$ 3,285,413
			\$ 113,390,622

(1) Amount above or below the Dead Band

(2) Consumption factors to be true-up at the end of the Winter Period for actual # of customers.

(3) Normalization degree days x Therms Per Degree Day

(4) Normalization Volumes x Margin Revenue Factor

**Public Service Electric and Gas  
Conservation Incentive Program Filing  
October 2022 - September 2023  
CIP Recovery Tests  
Summary**

**Determine Weather and Non-Weather CIP Impacts**

	<u>Weather</u>	<u>Non-Weather</u>	<u>Total</u>
CIP Group 1 (RSG)	\$ 95,879,613	\$ (12,743,930)	\$ 83,135,684
CIP Group 2 (GSG)	\$ 14,225,596	\$ (2,329,240)	\$ 11,896,356
CIP Group 3 (LVG)	\$ 3,285,413	\$ 657,341	\$ 3,942,755
Total Deficiency/(Credit)	\$ 113,390,622	\$ (14,415,828)	\$ 98,974,794

**Step 2: Apply Modified BGSS Savings Test****A. Non-weather Impact Subject to Modified BGSS Savings Test**

Non-Weather Impact	\$ -
75% Factor	<u>75%</u>
Subtotal	\$ -
Prior Year Carry-Forward (Modified BGSS Savings Test)	\$ -
Non-weather Impact Subject to Test	\$ -

**B. BGSS Savings**

Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)	\$ 45,394,957
Additional Capacity BGSS Savings (Exhibit C, Schedule 6, Page 3)	\$ -
Avoided Cost BGSS Savings (Exhibit C, Schedule 6, Page 4)	<u>\$ 8,706,062</u>
Total BGSS Savings	<b>\$ 54,101,020</b>

**C. Results**

Non-Weather Impacts Passing Test (current accrual)	\$ -
Non-Weather Impacts Passing Test (prior year carry-forward)	\$ -
Non-Weather Impacts Exceeding Test	\$ -

**Public Service Electric and Gas  
Conservation Incentive Program Filing  
October 2022 - September 2023  
CIP Recovery Tests  
Summary**

**Step 3: Apply Variable Margin Revenue Test****A. Non-weather Impact Subject to Variable Margin Revenue Test**

Non-Weather Impact	\$ -
Prior Year Carry-Forward (Variable Margin Revenue Test)	\$ -

## EXHIBIT A

Non-weather Impact Subject to Test	\$	-
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B. Variable Margin Revenues

Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)	\$	801,288,941
Factor		6.5%
Total Fixed Recovery Cap	\$	52,083,781

C. Results

Non-Weather Impacts Passing Test (current accrual)	\$	-
Non-Weather Impacts Passing Test (prior year carry-forward)	\$	-
Non-Weather Impacts Exceeding Test	\$	-

**Step 4: Determine Recoverable Non-Weather CIP Impacts**A. Current Year Accrual Recoverable Non-Weather Impacts

Amount Passing Modified BGSS Savings Test	\$	-
Amount Passing Variable Margin Revenue Test	\$	-
Recoverable Amount		\$ -

B. Previous Carry-Forward Recoverable Amounts

Amount Passing Modified BGSS Savings Test		\$ -
Amount Passing Variable Margin Revenue Test	\$	-
Deduction for any amount also included in above	\$	-
		\$ -

**Total Non-Weather Recoverable CIP Amount**

	\$ -
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Public Service Electric and Gas Company  
CIP Recovery Tests  
CIP BGSS Savings**I. Permanent BGSS Savings**

<u>Pipeline</u>	<u>Contract No.</u>	<u>Type of Transaction</u>	<u>Quantity Dth</u>	<u>Annual \$</u>
Texas Eastern	870146	Contract Terminated	88,321	\$ 3,539,906
Texas Eastern	870145	Contract Terminated	25,000	821,250
Texas Eastern	911678	Contract Reduced	33,376	1,400,000
Texas Eastern	911677	Contract Reduced	56,493	2,000,000
Texas Eastern	911679	Contract Reduced	59,817	2,200,000
Dominion	200318/200315	Contract Terminated	43,300	1,089,237
Dominion	525445	Contract Reduced	48,526	2,537,483
Dominion	200482	Contract Reduced	55,737	4,271,190
National Fuel	F11135	Contract Terminated	48,400	3,545,087
National Fuel	F10833	Contract Terminated	30,795	1,265,702
National Fuel	F10845	Contract Terminated	20,000	822,018
Steuben	4	Contract Terminated	11,111	1,084,634
Steuben	3	Contract Terminated	30,955	3,333,011
Trunkline	21079	Contract Terminated	89,392	6,630,062
Trunkline	20912	Contract Terminated	25,242	998,725
Panhandle	22945	Contract Terminated	88,498	2,994,348
Panhandle	22652	Contract Terminated	25,000	718,138
Texas Gas	T025024	Contract Terminated	85,417	6,144,167
<b>Total Permanent Reductions</b>				<b>\$ 45,394,957</b>

**II. Additional Capacity BGSS Savings**

CIP Recovery <u>Year</u>	<u>Annual \$</u>
2021-2022	\$ -

**III. Avoided Capacity**

CIP Recovery <u>Year</u>	<u>Annual \$</u>
2021-2022	\$ 8,706,062

**VI. Total of all Savings**

CIP Recovery Year	Permanent Capacity Savings	Additional Capacity BGSS Savings	Avoided Cost BGSS Savings	<u>Annual \$</u>
2021-2022	\$ 45,394,957	\$ -	\$ 8,706,062	<b>\$ 54,101,020</b>

**Public Service Electric and Gas**  
**CIP Recovery Tests**  
**Avoided Capacity Cost BGSS Savings**

Month (a)	Base Year Customer Count (b)	Current Year Customer Count (c)	Net Increase/ (Decrease) Customer Count (d) = (b) / (c)	Baseline Use / Cust. (e)	Avoided Capacity (f) = (d) * (e)
Group 1: RSG					
October	1,624,278	1,699,041	74,763	38.7	2,893,326
November	1,630,996	1,701,243	70,247	87.6	6,153,658
December	1,635,566	1,706,163	70,597	144.9	10,229,573
January	1,636,952	1,708,794	71,842	180.6	12,974,627
February	1,630,001	1,708,876	78,875	153.5	12,107,292
March	1,615,444	1,707,216	91,772	124.5	11,425,589
April	1,653,790	1,708,740	54,950	70.4	3,868,462
May	1,636,600	1,707,607	71,007	37.0	2,627,272
June	1,631,876	1,707,946	76,070	21.0	1,597,478
July	1,683,288	1,710,698	27,410	18.0	493,379
August	1,621,557	1,715,113	93,556	18.0	1,684,016
September	1,630,455	1,708,839	78,384	19.5	1,528,486
Subtotal				913.7	67,583,159
Average Per Unit BGSS Capacity Cost					0.12882
Total Avoided Capacity Cost BGSS Savings					<u>\$8,706,062</u>

## Notes:

- (1) Base Year Customer Count is equal to the test year customer count used to set base rates in a base rate case
- (2) Current Year Customer Count is equal to the customer count in the CIP accrual year.
- (3) The average per unit BGSS Capacity Cost represents the average of all capacity costs in the BGSS portfolio included in the annual BGSS filing for the prospective BGSS year. This value is used as a proxy for the avoided cost of incremental capacity.

**Public Service Electric and Gas  
CIP Recovery Tests  
Variable Margin**

Group I (RSG)	\$669,208,740
Group II (GSG)	\$95,910,267
Group III (LVG)	<u>\$36,169,933</u>

Total Variable Margin	<u>\$801,288,941</u>
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<u>Customer Class</u>	<u>Actual/ Estimate</u>	<u>Number of Customers</u>	<u>Baseline Use / Cust.</u>	<u>Margin Factor</u>	<u>Variable Revenue</u>
<u>RSG</u>					
Oct-22	Act	1,699,041	38.7	\$0.4184	\$27,512,388
Nov-22	Act	1,701,243	87.6	\$0.4184	\$62,356,825
Dec-22	Act	1,706,163	144.9	\$0.4299	\$106,278,238
Jan-23	Act	1,708,794	180.6	\$0.4299	\$132,666,944
Feb-23	Act	1,708,876	153.5	\$0.4299	\$112,764,973
Mar-23	Act	1,707,216	124.5	\$0.4299	\$91,371,992
Apr-23	Act	1,708,740	70.4	\$0.4299	\$51,713,496
May-23	Act	1,707,607	37.0	\$0.4321	\$27,297,555
Jun-23	Act	1,707,946	21.0	\$0.4375	\$15,691,148
Jul-23	Act	1,710,698	18.0	\$0.4375	\$13,471,223
Aug-23	Act	1,715,113	18.0	\$0.4375	\$13,505,993
Sep-23	Act	1,708,839	19.5	\$0.4375	<u>\$14,577,965</u>
Total			913.7		\$669,208,740
<u>GSG</u>					
Oct-22	Act	139,376	110.8	\$0.3186	\$4,919,493
Nov-22	Act	139,632	172.0	\$0.3186	\$7,650,779
Dec-22	Act	138,159	320.4	\$0.3244	\$14,359,341
Jan-23	Act	140,576	421.1	\$0.3244	\$19,202,484
Feb-23	Act	140,886	351.6	\$0.3244	\$16,068,629
Mar-23	Act	141,065	275.8	\$0.3244	\$12,620,450
Apr-23	Act	140,696	170.7	\$0.3244	\$7,790,733
May-23	Act	139,617	80.1	\$0.3255	\$3,640,005
Jun-23	Act	139,559	49.2	\$0.3282	\$2,253,784
Jul-23	Act	139,258	58.5	\$0.3282	\$2,674,015
Aug-23	Act	140,008	50.5	\$0.3282	\$2,320,771
Sep-23	Act	139,574	52.6	\$0.3282	<u>\$2,409,783</u>
Total			2,113.3		\$95,910,267
<u>LVG</u>					
Oct-22	Act	19,429	2,350.0	\$0.0452	\$2,062,046
Nov-22	Act	19,528	3,486.2	\$0.0452	\$3,074,564
Dec-22	Act	19,157	5,220.9	\$0.0460	\$4,599,892
Jan-23	Act	19,457	6,506.4	\$0.0460	\$5,822,493
Feb-23	Act	19,680	5,940.9	\$0.0460	\$5,377,235
Mar-23	Act	19,891	5,478.7	\$0.0460	\$5,012,040
Apr-23	Act	19,654	3,703.5	\$0.0460	\$3,347,679
May-23	Act	19,547	2,037.8	\$0.0461	\$1,838,123
Jun-23	Act	19,344	1,477.0	\$0.0465	\$1,329,650
Jul-23	Act	19,458	1,374.6	\$0.0465	\$1,244,755
Aug-23	Act	19,644	1,379.9	\$0.0465	\$1,261,506
Sep-23	Act	19,492	1,322.8	\$0.0465	<u>\$1,199,950</u>
Total			40,278.7		\$36,169,933

**Exhibit B**  
**Schedule SS-GCIP-2**

**PUBLIC SERVICE ELECTRIC AND GAS  
CONSERVATION INCENTIVE PROGRAM  
CALCULATION OF GCIP RATES**

	<b>GCIP Rate</b>	<b>RSG</b>	<b>GSG</b>	<b>LVG</b>	<b>Total</b>	
(1)	CIP Carry-Forward	\$10,667,362	\$533,703	(\$241,189)	\$10,959,876	See Attachment A, Schedule 1 - 3, Page 1
(2)	CIP Weather	\$95,879,613	\$14,225,596	\$3,285,413	\$113,390,622	See Attachment A, Schedule 5, Page 1
(3)	CIP Non-Weather	(\$12,743,930)	(\$2,329,240)	\$657,341	(\$14,415,828)	See Attachment A, Schedule 5, Page 1
(4)	<b>Total CIP Deferral</b>	<b>\$93,803,046</b>	<b>\$12,430,059</b>	<b>\$3,701,566</b>	<b>\$109,934,670</b>	(4) = (1) + (2) + (3)
						See Attachment A, Schedule 5, Page 1 for
(5)	CIP Non-Weather Savings Recovery (Refund)				<b>(\$14,415,828)</b>	Refund or Page 2 for Recovery
(6)	CIP Allocation of Non-Weather Savings Cap	88%	16%	-5%	<b>100%</b>	(6) = (3) / Total (3)
(7)	CIP Non-Weather Allocation	(\$12,743,930)	(\$2,329,240)	\$657,341	<b>(\$14,415,828)</b>	(7) = Total (5) * (6)
(8)	CIP Weather	\$95,879,613	\$14,225,596	\$3,285,413	<b>\$113,390,622</b>	(2)
(9)	WNC Ending Balance				<b>\$3,758</b>	
(10)	CIP Allocation of Weather	85%	13%	3%	<b>100%</b>	(10) = (2) / Total (2)
(11)	CIP Allocation of WNC Ending Balance	\$3,178	\$472	\$109	<b>\$3,758</b>	(11) = Total (9) * (10)
(12)	CIP Carry-Forward Recovery	\$10,667,362	\$533,703	(\$241,189)	<b>\$10,959,876</b>	(12) = (1)
(13)	<b>CIP (Refund) / Charge</b>	<b>\$93,806,224</b>	<b>\$12,430,530</b>	<b>\$3,701,675</b>	<b>\$109,938,429</b>	(13) = (7) + (8) + (11) + (12)
(14)	Settlement CIP Revenue Requirement	\$93,358,342	\$12,977,499	\$3,598,824	\$109,934,665	
(15)	Carry Forward amount	\$447,881	(\$546,969)	\$102,851	\$3,763	(15) = (13) - (14)
(16)	Projected Use (000) *	1,541,120	292,706	759,862		Provisional Rates
		<b>RSG</b>	<b>GSG</b>	<b>LVG</b>		
(17)	CIP Rate	0.060578	0.044336	0.004736		Provisional Rates
(18)	CIP Rate w/ Assessment	0.060736	0.044451	0.004748		Provisional Rates
(19)	CIP Rate w/SUT	0.064760	0.047396	0.005063		Provisional Rates

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

XXX Revised Sheet No. 48

Superseding

XXX Revised Sheet No. 48

**CONSERVATION INCENTIVE PROGRAM**

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

	Conservation Incentive Program	Conservation Incentive Program including SUT
RSG	\$0.060736	\$0.064760
GSG	\$0.044451	\$0.047396
LVG	\$0.004748	\$0.005063

**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 usage per customer during the preceding annual period. The Conservation Incentive 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 Usage Per Customer**

– the Actual Usage per Customer (“AUC”) shall be determined in terms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The AUC shall equal the aggregate actual booked sales for the month as recorded on the Company’s books divided by the ANC for the corresponding month.

**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 October 1 of one calendar year through September 30 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.

**6. Baseline Usage per Customer**

– the Baseline Usage per Customer (“BUC”) shall be stated in terms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BUC shall be rounded to the nearest one tenth of one therm.

The BUC shall be reset each time new base rates are placed into effect through a base rate case.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**XXX Revised Sheet No. 48A**  
**Superseding**  
**XXX Revised Sheet No. 48A**

**CONSERVATION INCENTIVE PROGRAM**  
**(Continued)**

**7. Customer Class Group**

– for purposes of determining and applying the CIP, customers shall be aggregated into three separate recovery class groups. The Customer Class Groups shall be as follows:

Group I: RSG  
Group II: GSG  
Group III: LVG

**8. Forecast Annual Usage**

– the Forecast Annual Usage (“FAU”) shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

**9. Margin Revenue Factor**

– the Margin Revenue Factor (“MRF”) shall be the weighted-average margin rate as quoted in the individual service classes to which the CIP applies. The MRFs by Customer Class Group are as follows:

Group I (RSG): \$0.437483  
Group II (GSG): \$0.328242  
Group III (LVG): \$0.046383

The MRF shall be reset each time new base rates are placed into effect, including Infrastructure Investment Program (“IIP”) or all other future base rate changes.

**10. 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.

**11. Actual Calendar Month Degree Days**

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

**12. Normal Calendar Month Degree Days**

– the level of calendar month degree days to which the weather portion of the CIP applies.

The normal calendar month Degree Days 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. The base level of normal HDD for the defined winter period months for the 2023-2024 Winter Period are set forth in the table below:

Month	Normal Heating Degree Days
October 2023	225.14
November 2023	515.50
December 2023	810.29
January 2024	1,005.68
February 2024	868.22
March 2024	682.63
April 2024	355.17
May 2024	123.16

**13. Winter Period**

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

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**XXX Revised Sheet No. 48B  
Superseding**

**XXX Revised Sheet No. 48B**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**14. Degree Day Consumption Factors**

– the use per degree day component of the gas sales equations by month used in forecasting firm gas sales for the applicable rate schedules. Degree day Consumption Factors for the 2023-2024 Winter Period are set forth below and presented as therms per degree day:

Month	RSG-Residential		Commercial			Industrial		
			GSG		LVG	GSG		LVG
	Heating	Non- Heating	Heating	Non- Heating		Heating	Non- Heating	
Oct.-23	183,348	-	-	-	88,624	633	-	7,326
Nov.-23	269,657	2,352	34,861	2,625	88,624	1,220	139	7,321
Dec.-23	269,443	3,088	51,188	3,709	88,624	2,154	259	7,315
Jan.-24	303,067	3,111	52,644	3,907	90,462	2,463	234	7,452
Feb.-24	291,037	2,723	54,216	4,014	90,462	1,934	138	7,445
Mar.-24	293,337	3,012	55,149	4,047	90,462	2,215	243	7,437
Apr.-24	285,355	3,138	57,596	4,118	90,462	1,748	229	7,428
May-24	209,054	3,458	29,705	3,863	90,462	1,160	163	7,418

**II. BASELINE USE PER CUSTOMER**

The BUC for each Customer Class Group by month are as follows:

Month	RSG	GSG	LVG
Oct.	38.7	110.8	2,350.0
Nov.	87.6	172.0	3,486.2
Dec.	144.9	320.4	5,220.9
Jan.	180.6	421.1	6,506.4
Feb.	153.5	351.6	5,940.9
Mar.	124.5	275.8	5,478.7
Apr.	70.4	170.7	3,703.5
May	37.0	80.1	2,037.8
Jun.	21.0	49.2	1,477.0
Jul.	18.0	58.5	1,374.6
Aug.	18.0	50.5	1,379.9
Sep.	19.5	52.6	1,322.8
<b>Total Annual</b>	<b>913.7</b>	<b>2,113.3</b>	<b>40,278.7</b>

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