



Tariff: (1) applied an earnings test to ensure that the WNC rate would not enable the Company to recover any portion of a revenue deficiency that would cause the Company to earn in excess of its allowed rate of return on equity of 10.3%, (2) reduced the 2012-2013 WNC balance by \$1.071 million, representing the unrefunded balance of the 2011-2012 WNC, and, (3) further reduced adjusted its recoverable amount to ensure that it did not exceed three percent of the RSG total per therm rate. According to the Company, these adjustments reduced the WNC recoverable amount to \$40.730 million, with the remaining deficiency of \$15.919 million to be carried over to the 2013-2014 Winter Period.

Public hearings were held on the following dates at the indicated locations: August 20, 2012 in Mount Holly, New Jersey, August 22, 2012 in New Brunswick, New Jersey, and August 23, 2012 in Hackensack, New Jersey. No members of the public appeared and commented on the filing.

By Order dated September 13, 2012, the Board approved a stipulation entered into by the Company, Board Staff and the Division of Rate Counsel, (collectively, "the Parties"), establishing a provisional WNC rate of \$0.030837 per balancing therm, including SUT, for the 2012-2013 Winter Period, effective for service rendered from October 2012 through May 2013 for customers that receive commodity service from PSE&G on rate schedules RSG, GSG and LVG. This provisional rate was subject to refund after true-up. The bill impact at that time for typical PSE&G residential gas heating customers using 100 therms in a winter month and 660 therms annually, was an increase in their annual bills from \$747.61 to \$758.79, or \$11.18, or approximately 1.5%, based upon then current delivery rates and BGSS-RSG charges in effect July 1, 2012, and assuming that the customer received commodity service from PSE&G.

On December 11, 2012, the Company made a supplemental filing to update the WNC earnings test information contained in the Petition based on twelve months of actual financial data. According to PSE&G, this resulted in a revised carryover deficiency to the 2013-2014 Winter Period of \$24.039 million. The Company confirmed that the use of twelve months of actual financial data resulted in no change to charges being collected from customers during the 2012-2013 Winter Period.

### **SETTLEMENT FOR FINAL WNC RATES<sup>3</sup>**

Following further review and discussions, the Parties entered into the attached Settlement for Final WNC Rates ("Settlement") dated April 3, 2013. The key provisions of the Settlement are as follows:

- The Parties request that the Board issue an Order confirming as final the WNC rate for the 2012-2013 Annual Period as set forth in the Company's June 27, 2012, filing, including as final the recovery of \$40.730 million for the 2012-2013 Winter Period for gas customers receiving service pursuant to rate schedules RSG, GSG and LVG.
- The Parties request the Board to approve as final the Company's WNC rate of \$0.030837 per balancing therm including SUT. The Parties agree that PSE&G's WNC rates and customers' bills will not change as a result of this Settlement.

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<sup>3</sup> Although summarized in this Order, the detailed terms of the Settlement for Final WNC Rates control, subject to the findings and conclusions of this Order.



- The true-up of the earnings test for the Annual Period results in a carryover deficiency to the 2013-2014 Winter Period of \$24.039 million.

**DISCUSSION AND FINDING**

The Board, having carefully reviewed the record to date in this proceeding and the attached Settlement, **HEREBY FINDS** that subject to the terms and conditions set forth below, that the Settlement is reasonable, in the public interest and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Settlement as its own as if fully set forth herein.

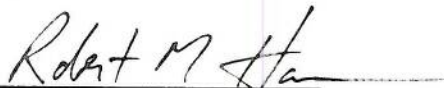
The Board **HEREBY ORDERS** that the existing WNC rate of \$0.030837 per balancing term (including SUT) remain in effect and shall be deemed the final WNC rate for the 2012-2013 Winter Period.

The Board **HEREBY APPROVES** the tariff sheets attached to the Settlement as conforming to the terms and conditions of this Order.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.


DATED: 4/29/13

BOARD OF PUBLIC UTILITIES  
BY:

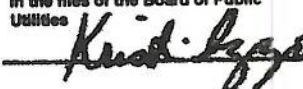
  
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JEANNE M. FOX  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
MARY-ANNA HOLDEN  
COMMISSIONER

ATTEST:   
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities  


IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY  
TO REVISE ITS WEATHER NORMALIZATION CHARGE ("WNC") AND FOR CHANGES IN  
THE TARIFF FOR GAS SERVICE B.P.U. N.J. NO. 15 GAS PURSUANT TO N.J.S.A. 48:2-21  
AND N.J.S.A. 48:2-21.1 -  
DOCKET NO. GR12060583

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