



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF PUBLIC SERVICE)	DECISION AND ORDER
ELECTRIC AND GAS COMPANY'S 2017/2018)	ADOPTING INITIAL DECISION AND
ANNUAL BGSS COMMODITY CHARGE FILING)	APPROVING STIPULATION FOR FINAL
FOR ITS RESIDENTIAL GAS CUSTOMERS)	BGSS-RSG RATES
UNDER ITS PERIODIC PRICING MECHANISM)	
)	DOCKET NO. GR17060589
)	OAL NO. PUC 15583-2017N

Parties of Record:

Matthew Weissman, Esq., Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers an Initial Decision executed by Administrative Law Judge ("ALJ") Jacob S. Gertsman and Stipulation for a Final Basic Gas Supply Rates ("BGSS") Rate ("Stipulation") executed by Public Service Electric and Gas Company ("PSE&G" or "Company"), Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") intended to resolve the Company's requests related to the above docketed matter.

BACKGROUND

By Order² dated January 6, 2003, the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs") to submit to the Board by June 1 its annual BGSS cost filing for the BGSS year beginning October 1. In addition, the January 2003 BGSS Order authorizes each GDC to: a) self-implement up to a five (5) percent BGSS increase effective December 1 of the current year and February 1 of the following year with one (1) month's advance notice to the Board and Rate Counsel; and b) implement a decrease in its BGSS rate at any time during the year upon five (5) days' notice to the Board and Rate Counsel.

¹ Commissioner Robert M. Gordon recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

² In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act, N.J.S.A. 48:3-49 et seq. – Order Approving BGSS Price Structure, BPU Docket No. GX01050304 (January 6, 2003). ("January 2003 BGSS Order").

2017/2018 BGSS Petition

In accordance with the January 2003 BGSS Order, on June 1, 2017, PSE&G filed a petition ("2017/2018 BGSS Petition") with the Board requesting approval to increase its BGSS Commodity Charge to Residential Service ("RSG") customers effective October 1, 2017 or earlier, should the Board deem it appropriate. Approval of the Company's request would result in an increase in annual BGSS-RSG revenues of approximately \$34.4 million, excluding losses and Sales and Use Tax ("SUT"). The Company requested a per therm increase in the BGSS-RSG Commodity Charge rate from \$0.339408³ per therm to \$0.369939 per therm.

After publication of notice in newspapers of general circulation in PSE&G's service territory, public hearings were scheduled and conducted in Mount Holly, New Brunswick, and Hackensack, on September 11, 14, and 15, 2017 respectively. No member of the public appeared at the public hearings.

Subsequent to the June 1, 2017 filing, the Company made a compliance filing on August 30, 2017 in response to the Board's Order⁴ in the Company's Petition for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Energy Strong Program in Docket Nos. ER17030324 and GR17030325. As a result of August 2017 Energy Strong Rate Adjustment Order, the Company's BGSS-RSG Commodity per therm rate was reduced from \$0.339408 to \$0.339397 effective September 1, 2017.

On September 22, 2017, the Board issued an Order ("September 2017 Provisional Order") in this docket approving a stipulation executed by the Parties. The September 2017 Provisional Order authorized PSE&G to implement the updated BGSS rate of \$0.369939 per therm on a provisional basis for service rendered on and after October 1, 2017. The provisionally approved increase in the BGSS rate increased the annual bill of a typical residential customer using 165 therms per month during the winter months and 1,010 therms on an annual basis by \$30.86.⁵

On October 17, 2017, the Board transmitted the matter to the Office of Administrative Law as a contested case where it was subsequently assigned to ALJ Gertsman.

Subsequent to the September 2017 Provisional Order, the Company made a compliance filing on December 21, 2017 ("December 21, 2017 Compliance Filing") in response to the Board's Order⁶ in the Company's petition for approval of Gas Base Rate Adjustments Pursuant to its Gas System Modernization Program ("GSMP") under Docket No. GR17070775. As a result of the December 2017 GSMP Rate Adjustment Order, the Company's BGSS-RSG Commodity Charge per therm rate was reduced from \$0.369939 to \$0.368938 effective January 1, 2018.⁷

³ All rates quoted herein include losses and SUT unless otherwise stated.

⁴ In re the Petition of Public Service Electric And Gas Company for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Energy Strong Program, BPU Docket Nos. ER17030324 and GR17030325, (August 23, 2017). ("August 2017 Energy Strong Rate Adjustment Order").

⁵ The above bill impacts are assuming that the customer receives BGSS service from PSE&G.

⁶ In re the Petition of Public Service Electric and Gas Company for Approval of Gas Base Rate Adjustments Pursuant to its Gas System Modernization Program, Docket No. GR17070775, (December 19, 2017). ("December 2017 GSMP Rate Adjustment Order").

⁷ On September 26, 2017, the Board issued a Secretary's Letter under Docket No. ER17090984, for all New Jersey Electric and Gas Utilities, pursuant to P.L.2016, c57, which states that the SUT to be charged to customers for utility service has been changed from 6.875% to 6.625% effective January 1, 2018. The SUT reduction is reflected in the BGSS rate of \$0.368938 per therm that was implemented on January 1, 2018.

The December 21, 2017 Compliance Filing also included notification to the Board that the Company would be providing a two (2) month bill credit of fifteen (15) cents per therm (including SUT) for its BGSS-RSG customers to be effective January 1, 2018 through February 28, 2018. On February 21, 2018, the Company filed a notice of an extension of the two (2) month bill credit to be effective March 1, 2018 through March 31, 2018. On March 20, 2018, the Company filed a notice of a further extension of the fifteen (15) cents per therm (including SUT) credit to be effective April 1, 2018 through April 30, 2018.

STIPULATION

Subsequent to discovery and discussions of the issues, on March 26, 2018, the Parties executed the Stipulation that provides for the following:⁸

1. The Company's BGSS Commodity Charge, Tariff rate BGSS-RSG, of \$0.368938 per therm will remain in effect at this time. The Parties agree that the aforementioned BGSS-RSG Commodity charge shall be deemed final.
2. The current residential customer impact of this action is as follows: MONTHLY – a residential customer using 100 therms per month during the winter months and 610 therms on an annual basis will see no change in the monthly winter bill of \$90.81 (based upon rates in effect on February 1, 2018 and assuming that the customer receives BGSS from PSE&G not including any BGSS-RSG bill credits). ANNUAL – a residential customer using 165 therms per month during the winter months and 1,010 therms on an annual basis will see no change in the annual bill of \$902.54 (based upon rates in effect on February 1, 2018 and assuming that the customer receives BGSS service from PSE&G not including any BGSS-RSG bill credits).
3. Attached to the Stipulation as Exhibit C is the Company's tariff sheet which reflects the current BGSS-RSG Commodity Charge effective January 1, 2018, as well as the \$0.15 per therm bill credit in effect through April 30, 2018.
4. The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-PSCHART-1) attached to the Stipulation as Exhibit A; and 2) a monthly report of unitized credits to the BGSS (ISG, Cogeneration, TSG-F, Off System Sales, Capacity Releases, Gas to Electric and Supplier Refunds) and the associated dollar amounts (attached to the Stipulation as Exhibit B). The chart reflected on Exhibit A of the Stipulation is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Exhibit B of the Stipulation is to be submitted to the Parties on approximately the 15th of the following month.

⁸ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of Stipulation control, subject to the findings and conclusion in this Order.

5. The Company further agrees to modify the Minimum Filing Requirements ("MFR") for its future BGSS filings in the following manner: (a) MFR Item No. 13 (Affiliate Gas Supply Transactions) shall include a description of the principal terms of the Requirements Contract between PSE&G and PSEG Energy Resources and Trade; and (b) MFR Item No. 18 (Gas Supply Plan) shall include a listing of all existing pipeline and storage capacity contracts for which the Company has given notice to extend or terminate during the previous 12 months, and all contracts that were extended under evergreen provisions during the same period. Attached to the Stipulation as Exhibit D is a list of MFRs applicable to PSE&G's future BGSS filings, including the modifications set forth in this paragraph.

On March 29, 2018, ALJ Gertsman issued an Initial Decision approving the Stipulation finding that the Parties had voluntarily agreed to the terms of the Stipulation and that the Stipulation fully disposes of all matters and is consistent with law.

DISCUSSION AND FINDINGS

Having reviewed the record in this matter, including ALJ Gertsman's Initial Decision and the Stipulation, the Board **FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board **FINDS** the Initial Decision, which adopts the Stipulation to be reasonable, in the public interest and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Initial Decision and the Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as though fully set forth herein.

The Board **HEREBY ORDERS** that the existing after-tax per therm BGSS-RSG commodity rate of \$0.368938 per therm shall remain in effect until further Order of the Board, and shall be deemed the final BGSS-RSG commodity rate for the period covered by the filing. Any net over-recovered BGSS balance at the end of the BGSS period shall be subject to refund with interest.

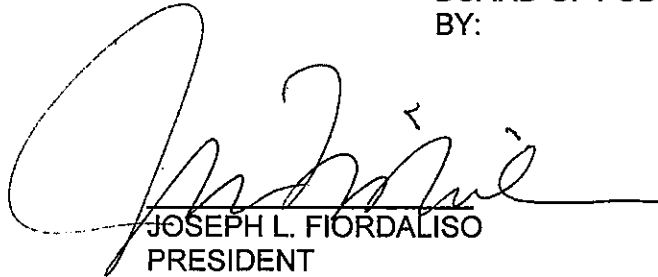
The Board **HEREBY ORDERS** PSE&G to file tariffs consistent with the Board's Order within five (5) days of service of this Order.

The Company's costs, including those related to BGSS, will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any such audit.


This Order shall be effective on May 5, 2018.

DATED: 4/25/18

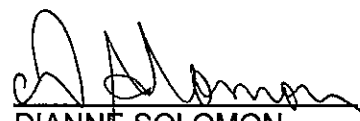
BOARD OF PUBLIC UTILITIES
BY:



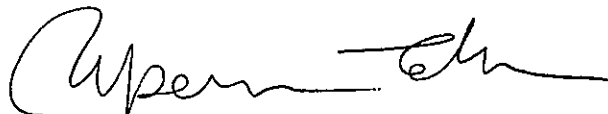
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER

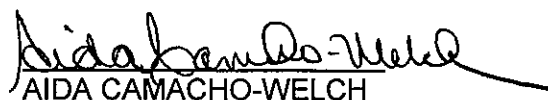


DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
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 PUBLIC SERVICE ELECTRIC AND GAS COMPANY'S 2017/2018
ANNUAL BGSS COMMODITY CHARGE FILING FOR ITS RESIDENTIAL GAS CUSTOMERS
UNDER ITS PERIODIC PRICING MECHANISM
DOCKET NO. GR17060589
OAL DOCKET NO. PUC 15583-2017N

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

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CASE MANAGEMENT

APR 03 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

BOARD OF PUBLIC UTILITIES

APR 03 2018

MAIL RECEIVED

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 15583-17

AGENCY DKT. NO. GR17060589

IN THE MATTER OF PUBLIC SERVICE
ELECTRIC AND GAS COMPANY'S 2017/2018
ANNUAL BASIC GAS SUPPLY SERVICE (BGSS)
COMMODITY CHARGE FILING FOR ITS
RESIDENTIAL GAS CUSTOMERS UNDER
ITS PERIODIC PRICING MECHANISM
(2017-2018 BGSS FILING).

Matthew Weissman, Associate General Regulatory Counsel, for petitioner PSE&G
Services Corporation

Alex Moreau, Deputy Attorney General, for Staff of the Board of Public Utilities
(Gurbir S. Grewal, Attorney General of New Jersey, attorney)

Sarah H. Steindel and **Maura Caroselli**, Assistant Deputies Rate Counsel, for Division
of Rate Counsel (Stefanie A. Brand, Director)

Record Closed: March 26, 2018

Decided: March 29, 2018



RECEIVED
CASE MANAGER UNIT

State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

BOARD OF PUBLIC UTILITIES

APR 03 2018

MAIL RECEIVED

APR 03 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 15583-17

AGENCY DKT. NO: GR17060589

IN THE MATTER OF PUBLIC SERVICE
ELECTRIC AND GAS COMPANY'S 2017/2018
ANNUAL BASIC GAS SUPPLY SERVICE (BGSS)
COMMODITY CHARGE FILING FOR ITS
RESIDENTIAL GAS CUSTOMERS UNDER
ITS PERIODIC PRICING MECHANISM
(2017-2018 BGSS FILING).

Matthew Weissman, Associate General Regulatory Counsel, for petitioner PSE&G
Services Corporation

Alex Moreau, Deputy Attorney General, for Staff of the Board of Public Utilities
(Gurbir S. Grewal, Attorney General of New Jersey, attorney)

Sarah H. Steindel and **Maura Caroselli**, Assistant Deputies Rate Counsel, for Division
of Rate Counsel (Stefanie A. Brand, Director)

Record Closed: March 26, 2018

Decided: March 29, 2018

OAL DKT. NO. PUC 15583-17

BEFORE JACOB S. GERTSMAN, ALJ t/a:

This proceeding involves a petition filed on June 1, 2017, by Public Service Electric and Gas Company (PSE&G or Company) for its annual filing for Basic Gas Supply Service (BGSS) and the Company's related request to increase the BGSS rate applicable to its residential customers, pursuant to N.J.S.A. 48-2-21.

The petition was transmitted to the Office of Administrative Law (OAL) on October 19, 2017, for determination as a contested case, and assigned to the undersigned, who conducted the initial case management conference on December 20, 2017. Duly-noticed public hearings were held prior to the transmittal to the OAL, on September 11, 2017, in Mount Holly, New Jersey; September 14, 2017, in New Brunswick, New Jersey; and on September 15, 2017, in Hackensack, New Jersey. No members of the public appeared at the hearings.

The parties filed on March 26, 2018, a Stipulation of Settlement (J-1) which resolves all issues in this proceeding. Said Stipulation of Settlement has been signed by petitioner, Staff of the Board of Public Utilities, and Division of Rate Counsel. It indicates the terms of settlement, and is attached and fully incorporated herein.

I have reviewed the terms of settlement and I **FIND**:

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures on the attached document.
2. The settlement fully disposes of all issues in controversy between the parties and is consistent with the law.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

OAL DKT. NO. PUC 15583-17

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

March 29, 2018

DATE


JACOB S. GERTSMAN, ALJ *va*

Date Received at Agency:

4/3/18

Date Mailed to Parties:

JSG/nd

OAL DKT. NO. PUC 15583-17

APPENDIX

EXHIBITS

Jointly Submitted

J-1 Stipulation of Settlement

J-1

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF PUBLIC SERVICE)	
ELECTRIC AND GAS COMPANY'S)	
2017/2018 ANNUAL BGSS COMMODITY)	STIPULATION FOR A
CHARGE FILING FOR ITS RESIDENTIAL)	FINAL BGSS RATE
GAS CUSTOMERS UNDER ITS PERIODIC)	
PRICING MECHANISM)	BPU DOCKET NO. GR17060589
		OAL DKT NO. PUC 15583-2017N

APPEARANCES:

Matthew M. Weissman, Esq., General Regulatory Counsel-Rates, Justin B. Incardone, Esq., for the Petitioner, Public Service Electric and Gas Company

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel, and Maura Caroselli, Esq., Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

Alex Moreau, Patricia A. Krogman, and Emma Yao Xiao, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

On June 1, 2017, Public Service Electric and Gas Company ("PSE&G" or the "Company") made a filing in the above-referenced matter requesting an increase in Annual Basic Gas Supply Service ("BGSS") gas revenues of approximately \$34.4 million (excluding losses and New Jersey Sales and Use Tax, ("SUT")) to be implemented for service rendered on and after October 1, 2017 or earlier, should the Board deem it appropriate. In the June 1st filing, the Company requested to increase the BGSS Commodity Charge to Residential Service Customers ("BGSS-RSG") from \$0.339408 per therm (including losses and SUT) to \$0.369939 per therm (including losses and SUT).

The proposed changes were implemented on a provisional basis as further described below and increased the annual bill for a typical residential heating customer using

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165 therms per winter month and 1,010 therms annually from \$861.02 to \$891.88, an annual increase of \$30.86, or approximately 3.6% (based upon rates in effect on June 1, 2017 and assuming that the customer receives BGSS service from PSE&G). The proposed change as filed and provisionally approved increased the annual bill for a residential heating customer using 100 therms per month during the winter months and 610 therms annually from \$547.68 to \$566.30, an annual increase of \$18.62, or approximately 3.4% (based upon rates in effect on June 1, 2017 and assuming that the customer receives BGSS service from PSE&G).

Notice setting forth the Company's June 1, 2017 request for the BGSS Commodity Charge increase, including the date, time, and place of the public hearing, was placed in newspapers having a circulation within PSE&G's gas service territory and was served on the county executives and clerks of all municipalities within the Company's gas service territory.

Public hearings were scheduled and conducted in Mount Holly, New Brunswick, and Hackensack on September 11, 14, and 15, 2017, respectively. No member of the public appeared at the public hearings.

Subsequent to the June 1, 2017 filing, the Company made a compliance filing on August 30, 2017 in response to the Board's Order in the Company's Petition for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Energy Strong Program ("Energy Strong Matter") in Docket Nos. ER17030324 and GR17030325. As a result of the settlement of the Energy Strong Matter, the Company's BGSS-RSG Commodity Charge was reduced

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from \$0.339408 per therm (including losses and SUT) to \$0.339397 per therm (including losses and SUT) effective September 1, 2017.¹

PSE&G, Staff of the New Jersey Board of Public Utilities ("Board Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") determined that additional time was needed to complete the review of the Company's proposed BGSS-RSG Commodity Charge. However, the Parties also agreed that action with respect to the Company's BGSS-RSG Commodity Charge for the 2017-2018 BGSS year, on a provisional basis, was reasonable and therefore agreed to implement the BGSS-RSG Commodity Charge as of October 1, 2017, or as soon as possible upon the issuance of a Board Order approving the Stipulation for a Provisional BGSS Rate ("Provisional Stipulation"). The Provisional Stipulation was approved at the Board agenda meeting on September 22, 2017, and the BGSS charge was increased from \$0.339397 per therm (including losses and SUT) to \$0.369939 per therm (including losses and SUT) for service rendered on and after October 1, 2017.

On October 17, 2017, the Board transmitted the matter to the Office of Administrative Law as a contested case where it was subsequently assigned to the Honorable Jacob S. Gertsman, Administrative Law Judge ("ALJ").

ALJ Gertsman held a telephonic prehearing conference on December 20, 2017 during which the Parties discussed a procedural schedule.

¹ As a result of the BGSS-RSG commodity decrease approved in the Board's Order in the Energy Strong Matter, a typical residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see no change in the monthly winter commodity bill. Further, a typical residential gas heating customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see no change in their annual commodity bill.

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The Company made a compliance filing on December 21, 2017 in response to the Board's Order in the Company's petition for approval of Gas Base Rate Adjustments Pursuant to its Gas System Modernization Program ("GSMP") under Docket No. GR17070775. As a result of the settlement of the GSMP, the Company's BGSS-RSG Commodity Charge was decreased from \$0.369939 per therm (including losses and SUT) to \$0.368938 per therm (including losses and SUT) effective January 1, 2018.

The December 21, 2017 compliance filing also included notification to the Board that the Company would be providing a two-month bill credit of 15 cents per therm (including SUT) for its BGSS-RSG customers to be effective January 1, 2018 through February 28, 2018 - consistent with the Board's January 6, 2003 Order Approving BGSS Price Structure ("Price Structure Order") at page 4, under Docket No. GX01050304 and paragraph 9 of the BGSS Pricing Proposal appended as Attachment A to and approved in the Price Structure Order.

Pursuant to P.L. 2016, c. 57, the New Jersey SUT to be charged to customers for utility service has been changed from 6.875 percent to 6.625 percent effective January 1, 2018. All sales on and after the effective date are to have the new rate applied. Accordingly, PSE&G has implemented the 6.625 percent SUT rate as of January 1, 2018, making the necessary changes to all of its rates and tariffs to reflect that decrease.

On February 21, 2018, the Company filed a notice of an extension of the two-month bill credit described above to be effective March 1, 2018 through March 31, 2018.

ALJ Gertsman held a second telephonic prehearing conference on February 22, 2018, during which the Parties discussed the status of the matter.

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On March 20, 2018, the Company filed a notice of an extension of the three-month bill credit described above to be effective April 1, 2018 through April 30, 2018.

The Parties have completed their review of the Petition and responses to discovery, discussed the matter, and now HEREBY AGREE as follows:

1. The Company's BGSS Commodity Service, Tariff rate BGSS-RSG of \$0.368938 per therm (including losses and SUT) will remain in effect at this time. The Parties agree that the aforementioned BGSS-RSG Commodity charge shall be deemed final.

2. The current residential customer impact of this action is as follows: MONTHLY -- a residential customer using 100 therms per month during the winter months and 610 therms on an annual basis would see will see no change in the monthly winter bill of \$90.81 (based upon rates in effect on February 1, 2018 and assuming that the customer receives BGSS service from PSE&G not including any BGSS-RSG bill credits); ANNUAL -- a residential customer using 165 therms per month during the winter months and 1,010 therms on an annual basis will see no change in the monthly winter bill of \$902.54 (based upon rates in effect on February 1, 2018 and assuming that the customer receives BGSS service from PSE&G not including any BGSS-RSG bill credits).

3. Attached as Exhibit C to this Stipulation is the Company's tariff sheet that reflects the current BGSS-RSG Commodity Charge effective January 1, 2018 as well as the 15 cent per therm bill credit in effect through April 30, 2018.

4. The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-PSCHART-1) attached hereto as Exhibit A; and 2) a monthly report of unitized credits to the BGSS (ISG, Cogeneration, TSG-F, Off System Sales, Capacity

- 6 -

Releases, Gas to Electric and Supplier Refunds) and the associated dollar amounts (attached hereto as Exhibit B). The chart reflected on Exhibit A is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Exhibit B is to be submitted to the Parties on approximately the 15th of the following month.

5. The Company further agrees to modify the Minimum Filing Requirements ("MFR") for its future BGSS filings in the following manner: (a) MFR Item No. 13 (Affiliate Gas Supply Transactions) shall include a description of the principal terms of the Requirements Contract between PSE&G and PSEG Energy Resources and Trade; and (b) MFR Item No. 18 (Gas Supply Plan) shall include a listing of all existing pipeline and storage capacity contracts for which the Company has given notice to extend or terminate during the previous 12 months, and all contracts that were extended under evergreen provisions during the same period. Attached hereto as Exhibit D is a list of MFRs applicable to PSE&G's future BGSS filings, including the modifications set forth in this Paragraph.

6. The undersigned agree that this Stipulation for a Final BGSS Rate contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, this Stipulation shall be null and void, and the parties shall be placed in the same position that they were in immediately prior to its execution.

7. The undersigned 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.

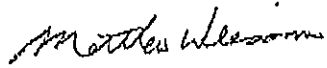
- 7 -

8. The undersigned Parties further HEREBY AGREE that this Stipulation for a Final BGSS Rate has been made exclusively for the purpose of this proceeding and that this Stipulation, in total or specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation for the Final BGSS-RSG Commodity Charge.

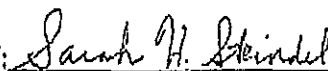
PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

STEFANIE A. BRAND
DIRECTOR,
DIVISION OF RATE COUNSEL

BY:


Matthew M. Weissman, Esq.
General Regulatory Counsel-Rates

BY:



Sarah H. Steindel
Assistant Deputy Rate Counsel

DATED: March 20, 2018

DATED: March 26, 2018

GURBIR S. GREWAL,
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

BY:


Patricia A. Krogman
Deputy Attorney General

DATED: March 26, 2018

S-PSCHART-1 -- RESTATED FOR PURCHASES NOT SENDOUT
BGSS NYMEX Update Report
as of July 6, 2015

<u>Month</u>	<u>e</u> <u>BGSS</u>	<u>b</u> <u>NYMEX</u>	<u>c = b - a</u> <u>Incr/</u> <u>(Decr)</u>	<u>% Chg</u>	<u>d</u> <u>Sales</u> <u>forecast (dths)</u>	<u>e</u> <u>Receipts</u> <u>(dths)</u>	<u>f</u> <u>Hedged</u> <u>volume (dths)</u>	<u>g = e - f</u> <u>Unhedged</u> <u>volume (dths)</u>	<u>h = c x g</u> <u>Change in</u> <u>value unhedged</u>
Oct-14	\$4.422	\$3.964	(\$0.438)		5,945	8,960	4,725	4,235	(\$1,855)
Nov-14	\$4.467	\$3.728	(\$0.739)		16,958	14,686	6,500	8,185	(\$6,049)
Dec-14	\$4.573	\$4.282	(\$0.291)		21,103	17,535	6,717	10,818	(\$3,148)
Jan-15	\$4.640	\$3.169	(\$1.451)		30,055	21,404	6,717	14,687	(\$21,311)
Feb-15	\$4.614	\$2.866	(\$1.748)		30,622	22,224	6,067	16,157	(\$28,243)
Mar-15	\$4.519	\$2.894	(\$1.625)		22,405	13,018	7,003	6,015	(\$9,774)
Apr-15	\$4.072	\$2.590	(\$1.482)		9,243	10,765	4,560	6,205	(\$9,196)
May-15	\$4.046	\$2.517	(\$1.529)		4,113	9,310	4,712	4,598	(\$7,030)
Jun-15	\$4.064	\$2.816	(\$1.249)		3,765	10,620	4,560	6,060	(\$7,569)
Jul-15	\$4.088	\$2.773	(\$1.315)		2,859	7,439	4,712	2,728	(\$3,587)
Aug-15	\$4.083	\$2.756	(\$1.327)		2,937	7,179	4,712	2,467	(\$3,274)
Sep-15	\$4.068	\$2.756	(\$1.302)		3,277	7,091	4,560	2,531	(\$3,296)
Avg Total \$	\$4.305	\$3.097	(\$1.208)	-28.1%	153,484	150,230	65,544	84,687	(\$104,332)
Oct-15	\$2.919	\$2.797	(\$0.122)		5,787	10,653	4,712	5,941	(\$725)
Nov-15	\$3.021	\$2.906	(\$0.115)		14,112	10,503	5,914	4,589	(\$528)
Dec-15	\$3.196	\$3.089	(\$0.107)		23,021	13,338	6,111	7,228	(\$773)
Jan-16	\$3.306	\$3.200	(\$0.106)		24,850	13,973	6,111	7,862	(\$833)
Feb-16	\$3.295	\$3.196	(\$0.097)		22,919	8,704	5,716	2,988	(\$290)
Mar-16	\$3.246	\$3.158	(\$0.087)		18,297	13,400	6,111	7,289	(\$634)
Apr-16	\$3.083	\$3.017	(\$0.066)		9,485	8,259	2,609	5,651	(\$373)
May-16	\$3.083	\$3.022	(\$0.061)		3,710	9,995	2,695	7,300	(\$445)
Jun-16	\$3.112	\$3.055	(\$0.057)		3,617	10,888	2,609	8,260	(\$471)
Jul-16	\$3.147	\$3.093	(\$0.054)		2,837	10,971	2,695	8,276	(\$447)
Aug-16	\$3.153	\$3.108	(\$0.045)		2,910	12,611	2,695	9,916	(\$446)
Sep-16	\$3.145	\$3.103	(\$0.042)		3,251	11,025	2,609	8,417	(\$354)
Avg Total \$	\$3.142	\$3.062	(\$0.080)	-2.5%	134,767	134,302	50,586	83,716	(\$6,319)

Footnotes:

- a: Nymex rate used for annual BGSS periodic rate filing
b: Nymex rate as of date of the report
c: Increase/Decrease in the Nymex rate compared to rate used for annual BGSS periodic rate filing
d: Sales forecast (includes fuel requirement)
e: Receipt volumes and projections
f: "Hedged" volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)
g: "Unhedged" volume consists of receipts volume forecast less "hedged" volume
h: Not necessarily representative of a change in under/over-recovery value

EXHIBIT B

Public Service Electric and Gas CompanyUnitized Credits to BGSS-RSGJune 2015

<u>Contribution Category</u>	<u>Credits</u> (\$ 000)	BGSS-RSG Share of the <u>Volumes</u> (MDth)	<u>Unitized</u> <u>Credits</u> (\$/Dth)
Interruptible Service Gas (ISG)	\$180	24	\$7.390
Cogeneration	\$1,999	2,382	\$0.839
Transportation Service Gas-Firm (T&E)	\$66	99	\$0.669
Off-System Sales	\$5,498	4,058	\$1.355
Capacity Release	\$942	8,100	\$0.116
Gas to Electric	\$2,518	9,660	\$0.261
CSG Non Power	(\$32)	(29)	\$1.119
Supplier Refunds	\$77	n/a	n/a

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Thirtieth Revised Sheet No. 54

B.P.U.N.J. No. 15 GAS

Superseding
Twenty-Ninth Revised Sheet No. 54

BGSS-RSG
BASIC GAS SUPPLY SERVICE-RSG
COMMODITY CHARGES APPLICABLE TO RATE SCHEDULE RSG
(Per Therm)

Estimated Non-Gulf Coast Cost of Gas	\$ 0.040550
Capital Adjustment Charge (See Tariff Sheet Nos. 48 to 49)	0.000000
Adjusted Non-Gulf Coast Cost of Gas	0.040550
Estimated Gulf Coast Cost of Gas	0.290370
Adjustment to Gulf Coast Cost of Gas	0.000000
Prior period (over) or under recovery	0.008310
Adjusted Cost of Gas	0.339230

Commodity Charge after application of losses: (Loss Factor = 2.0%)..... \$ 0.346016

Commodity Charge including New Jersey Sales and Use Tax (SUT)..... \$ 0.368938

The above Commodity Charge will be established on a level annualized basis immediately prior to the winter season of each year for the succeeding twelve-month period. The estimated average Non-Gulf and Gulf Coast Cost of Gas will be adjusted for any under- or over-recovery together with applicable interest thereon which may have occurred during the operation of the Company's previously approved Commodity Charge filing. Further, the Company will be permitted a limited self-implementing increase to the Commodity Charge on December 1 and February 1 of each year. These limited self-implementing increases, if applied, are to be in accordance with a Board of Public Utilities approved methodology. Commodity Charge decreases would be permitted at any time if applicable.

The difference between actual costs and Public Service's recovery of these costs shall be determined monthly. If actual costs exceed the recovery of these costs, an underrecovery or a negative balance will result. If the recovery of these costs exceeds actual costs, an overrecovery or a positive balance will result. Interest shall be applied monthly to the average monthly cumulative deferred balance, positive or negative, from the beginning to the end of the annual period. Monthly interest on negative deferred balances (underrecoveries) shall be netted against monthly interest on positive deferred balances (overrecoveries) for the annual period. A cumulative net positive interest balance at the end of the annual period is owed to customers and shall be returned to customers in the next annual period. A cumulative net negative interest balance shall be zeroed out at the end of the annual period. The sum of the calculated monthly interests shall be added to the overrecovery balance or subtracted from the underrecovery balance at the end of the annual period. The positive interest balance shall be rolled into the beginning under- or over-recovery balance of the subsequent annual period.

Pursuant to the Board's January 6, 2003 Order approving the BGSS price structure under Docket No. GX01050304 and the BGSS Pricing Proposal appended as Attachment A to and approved in that Order, Public Service Electric and Gas Company may issue a bill credit for its BGSS-RSG customers as detailed below.

Effective	BGSS-RSG Credit (per therm)	BGSS-RSG Credit Including SUT (per therm)
April 1, 2018 through April 30, 2018	(\$0.140550)	(\$0.150000)
May 1, 2018	\$0.000000	\$0.000000

Date of Issue: March 23, 2018

Effective: April 1, 2018

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated September 22, 2017
in Docket No. GR17060589

Exhibit D: Annual BGSS Minimum Filing Requirements**1. Motion, Supporting Testimony & Tariff Modifications**

In support of its filing, a GDC should provide supporting testimony which addresses any material events or major factors affecting either the prior period's deferred gas balance or its forecasted BGSS rate. In addition to the associated motion, redlined tariff sheets should be provided for all proposed tariff changes.

2. Computation of Proposed BGSS Rates

A summary schedule should show all of the forecasted BGSS cost components and applicable credits which comprise the basis for the proposed BGSS rates that are to become effective October 1. The cost components and applicable credits should be provided with all material amounts broken out separately. A plain English explanation in narrative form regarding this summary schedule should be provided.

3. Public Notice with Proposed Impact on Bills

A copy of the Company's Public Notice should be provided with details concerning the impact of the proposed BGSS rates on typical gas bills at various winter therm utilization levels.

4. Actual and Forecasted Refund Amounts

Schedules should be provided which show actual and estimated supplier refund amounts for the reconciliation period as well as the estimated supplier refunds for the projected period beginning October 1. The schedule should identify the supplier refunds by month and should provide associated information on the applicable FERC docket involved. A plain English explanation in narrative form regarding these schedules should be provided.

5. Cost of Gas Sendout by Component

Monthly data showing the derivation of all cost components shown on the BGSS Computation Schedule should be provided for the reconciliation and projected periods. The monthly data should also provide detail on applicable volumes by customer classification.

6. **BGSS Contribution and Credit Offsets**

Monthly data showing the derivation of all BGSS cost offsets, including interruptible margins, capacity transactions, pipeline refunds and other credits should be provided for the reconciliation and projected periods. Any applicable FERC Orders will be included. Please include all calculations showing how such offsets were determined. A plain English explanation in narrative form should be provided regarding the above categories.

7. **Over/Under Recovery Comparisons**

Schedules should be provided which show the derivation of the monthly over or under recoveries plus cumulative balances for the reconciliation and projected period. For the reconciliation period, a schedule should also show the calculation of the monthly actual or estimated accrued interest. These schedules should include prospective data shown for the projected period based on the prevailing BGSS rate and, alternatively, based on the requested BGSS rate.

8. **Wholesale Gas Pricing Assumptions**

The GDC should provide schedules which detail the monthly gas prices for the reconciliation and projected periods. The schedules should show the prices utilized in developing the existing BGSS rate and those utilized for projecting the proposed BGSS rate. To the degree third party price indexes or forecasts are the basis for such gas prices, associated documentation should also be provided. A plain English explanation in narrative form regarding these schedules should be provided.

9. **GCUA Recoveries and Balances**

Schedules should be provided that show monthly data for the GCUA since its inception. The data should provide the unamortized balances, recoveries, and accrued interest by month with any associated workpapers.

10. **Historical Service Interruptions**

A schedule should be provided which details any service interruptions during the past 12 months. The schedule should show the dates of the interruptions, the service categories

affected; the number of customers affected and whether each interruption was operational or economic in nature.

11. **Gas Price Hedging Activities**

The GDC should provide copies of its last four quarterly hedging reports as filed with the Board. It should also provide a schedule covering both the reconciliation and projected period which shows monthly gas purchase volume requirements and price hedged volumes broken down into discretionary and non-discretionary components which allow evaluation of compliance with the GDC's established hedging objectives. A plain English explanation in narrative form regarding these hedging activities should be provided.

12. **Storage Gas Volumes, Prices and Utilization**

Schedules should be provided which show the GDC's monthly data for LNG, LPG, and pipeline storage volumes. The schedules should show volumes and dollars for balances, injections, and withdrawals with all data shown on a 10th basis.

13. **Affiliate Gas Supply Transactions**

The GDC's filing should have disclosure of all gas supply and capacity transactions with any affiliates during the reconciliation or forecasted periods. The disclosure should provide the nature, terms, and conditions of any such transactions, the date of the transactions, and evidence that the gas supply or capacity resources transactions were at market rates. PSE&G's filing shall also include a description of the principal terms of the Requirements Contract between PSE&G and PSEG Energy Resources and Trade.

14. **Supply and Demand Data**

Schedules should be provided that show the GDC's firm requirements and gas supplies by component on an annual, heating season and non-heating season basis. The data should be provided for the reconciliation period and the two prior and two prospective annual periods.

15. Actual Peak Day Supply and Demand

The GDC should provide data for the five highest demand days, for each of the last three years, showing date, temperature or HDD, firm and interruptible volumes and the sources of supply used to meet the associated volume requirement.

16. Capacity Contract Changes

The GDC filing should provide details concerning any changes to its interstate pipeline contracts (entitlements, storage capacities, daily deliverability, transportation, or associated costs) which have been made or occurred during the past 24 months or are planned for the next 12 months. To the degree any significant changes have been made or are planned, a narrative should discuss operational and cost consequences as well as the rationale for the changes.

17. FERC Pipeline Activities

The GDC's filing should provide details on any pending FERC dockets which would affect the cost or services received from the GDC's supplying pipelines. The GDC should also provide details concerning its participation in such dockets and a listing of any filings or testimony made by the GDC or on its behalf.

18. Gas Supply Plan

PSE&G will prepare and include a Gas Supply Plan with details concerning the Company's objectives, approach, and plans for supplying gas to its residential customers. The Gas Supply Plan will include the following elements:

- *Gas Procurement Objectives* – The Company will provide a general outlook of pricing, supply, availability, pipeline activity in areas that affect deliveries to the PSE&G city gate and the reliability of supply from the major producing areas available to the Company for the upcoming period.
- *Current and forecasted gas service requirements* – The Company will identify its forecasted supply requirements, including information on the Company's current forecasting method utilized in determining its current and future load requirements (i.e. Company's Natural Gas Sales Forecast report). Sources used to develop these forecasts should be cited and available upon request.

- *Projected sources of capacity* – The Company will provide details regarding any changes in pipeline capacity, including entering into new capacity contracts or the termination of any existing pipeline or storage capacity contracts as well as applicable pricing information subject to execution of an appropriate confidentiality agreement if determined necessary by the Company.
- *Affiliate Relationships/Asset Management* – The Company will include detailed information concerning interactions and arrangements between Company and affiliates in its supply, transportation, and storage of gas as well as procurement and management of Company assets. The Company will provide details on how the arm-length relationship is maintained.
- *Hedging Plan and Strategy* – The Company will provide details of its prior and current hedged gas positions and a discussion of the results of its hedged gas positions for the prior and forecasted future periods. In addition, the Company will identify how it utilized storage and flowing gas in its plan and any other relevant factors that influenced the Company's purchase plan.
- *Capacity Releases/Off-System Sales* – The Company will provide a summary of prior-period capacity release and off-system sales and an estimate of these activities for the future period. The Company will include its assessment of the value of its capacity and sales potential, as well as an assessment of market conditions for the prior period.

The filing shall also include a listing of all existing pipeline and storage capacity contracts for which the Company has given notice to extend or terminate during the previous 12 months, and all contracts that were extended under evergreen provisions during the same period.