



Agenda Date: 5/22/18
Agenda Item: IIA

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 THE PETITION OF PUBLIC) ORDER FURTHER SUSPENDING
SERVICE ELECTRIC AND GAS COMPANY FOR) INCREASES, CHANGES OR ALTERATIONS
APPROVAL OF AN INCREASE IN ELECTRIC) IN RATES FOR SERVICE
AND GAS RATES AND FOR CHANGES IN)
TARIFFS FOR ELECTRIC AND GAS SERVICE,) BPU DOCKET NOS. ER18010029 &
B.P.U.N.J. NO. 16 ELECTRIC AND B.P.U.N.J. NO.) GR18010030
16 GAS, AND FOR CHANGES IN)
DEPRECIATION RATES, PURSUANT TO N.J.S.A.)
48:2-18, N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1,)
AND FOR OTHER APPROPRIATE RELIEF) OAL DOCKET NO. PUC 01151-18

Parties of Record:

Matthew M. Weissman, Esq., General Regulatory Counsel, PSEG Services Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel
Steven S. Goldenberg, Esq., Fox Rothschild, LLP, on behalf of New Jersey Large Energy Users Coalition
Donald R. Wagner Esq., Stevens & Lee, on behalf of Wal-Mart Stores East, LP
Christopher F. Torkelson, Esq., Eckert Seamans Cherin & Mellott, LLC, on behalf of Direct Energy Business, LLC & Direct Energy Services, LLC
Janine G. Bauer, Esq., Szaferman, Lakind, Blumstein & Glader, P.C., on behalf of AARP, Inc.
Raghu Murthy, Esq., for Environmental Defense Fund and the Natural Resource Defense Council
Murray E. Bevan, Esq., Bevan, Mosca & Giuditta, P.C., on behalf of Sunrun, Inc.

BY THE BOARD:¹

On January 12, 2018, pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 and 48:2-21.1, N.J.A.C. 14:1-5.7 and N.J.A.C. 14:1-5.12, Public Service Electric and Gas Company ("Company" or "PSE&G"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey

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.

Board of Public Utilities ("Board"), filed a petition for approval of an increase in its operating revenues of approximately \$95 million, or 1.2%, to be effective for electric and gas service provided on or after February 23, 2018. The Company has requested an electric revenue increase of \$27 million or approximately 0.49% and a gas revenue increase of \$68 million or approximately 2.97%. The Company also seeks Board approval to implement new depreciation rates that include cost of removal rates that the Company submits are more appropriate and will allow it to more fully recover its expected costs as it replaces aging infrastructure, as well as certain other tariff changes.

According to the petition, the primary reasons for the requested increase are: (1) the Company's current electric and gas rates do not reflect an adequate return on the Company's invested capital dedicated to the service of electric and gas customers; (2) the insufficiency of the Company's current depreciation rates; (3) flat sales since the filing of the Company's prior base rate case; (4) unrecovered incremental storm costs of approximately \$240 million; and (5) the Company's return to customers of approximately \$90 million of cost of removal in excess of the amount deemed to have been over-recovered in a prior rate case.

On January 31, 2018, the Board issued an Order suspending the proposed rates until June 23, 2018, and the matter was transmitted to the Office of Administrative Law ("OAL") on January 19, 2018.

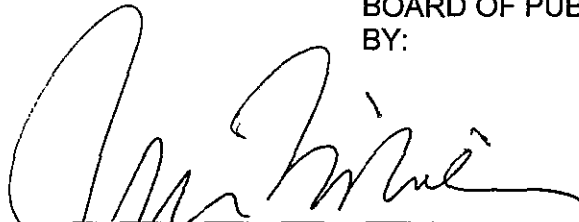
In light of the fact that this matter will not be completed by June 23, 2018, and it appearing that the proposed revisions will increase existing rates and change or alter existing classifications in the Company's tariff, it is **HEREBY ORDERED** as follows:

- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are further suspended until October 23, 2018, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) PSE&G shall, at least ten (10) days prior to the date set for hearing on the petition, file with this Board proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) PSE&G shall, at the same time it files with the Board, also file proof of service of copies of this Order upon the Division of Rate Counsel, the clerks of each affected municipality, the clerks of the Boards of Chosen Freeholders of each affected County, and where appropriate, the executive officer of each affected County within its service area. Service of the petition, notice of hearings and this Suspension Order may be made simultaneously.

This Order shall be effective on June 1, 2018.

DATED: 5/22/18

BOARD OF PUBLIC UTILITIES
BY:




JOSEPH L. FIORDALISO
PRESIDENT



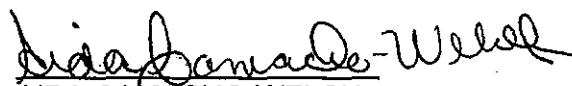
MARY-ANNA HOLDEN
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DIANNE SOLOMON
COMMISSIONER



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 THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF AN INCREASE IN ELECTRIC AND GAS RATES AND FOR CHANGES
IN TARIFFS FOR ELECTRIC AND GAS SERVICE, B.P.U.N.J. NO. 16 ELECTRIC AND
B.P.U.N.J. NO. 16 GAS, AND FOR CHANGES IN DEPRECIATION RATES, PURSUANT TO
N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1, AND FOR OTHER APPROPRIATE
RELIEF - BPU DOCKET NOS. ER18010029 & GR18010030
OAL DOCKET NO. PUC 01151-18

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