

In the Act, the EDCs were also directed to return excess monies in each EDC's separate, interest-bearing account to its retail distribution customers at the end of each energy year. Id.

By Order dated November 19, 2018, the Board accepted PSE&G's tariff filings and directed that the tariff not be implemented unless and until the Board issued a final order authorizing the implementation of the ZEC program.² Subsequently, by Order dated April 18, 2019, the Board directed the EDCs to submit final tariffs to become effective on April 18, 2019.³ The Board further directed the EDCs to calculate interest on their collections at their respective short-term debt rates in their respective collection accounts as allowed under the Act.

Via Board Orders dated July 10, 2019 and May 20, 2020, the Board directed the EDCs to submit certain data to the Board for review on a yearly basis.⁴

By Order dated December 16, 2020, the Board approved PSE&G's request to revise its Return of Excess Collections Credit Rate ("RECCR"), a component of the approved ZEC Recovery Charge ("ZECRC") tariff, to (\$0.000155) per kWh for an overall ZECRC rate of \$0.0041 per kWh.⁵ By Order dated April 6, 2022, the Board approved PSE&G's request to revise its RECCR rate to (\$0.00097) per kWh for an overall ZECRC rate of \$0.004172 per kWh.⁶

² In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Public Service Electric and Gas Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket No. EO18080899 and EO18091004, Order dated November 19, 2018.

³ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18121338, EO18121339, and EO18121337, Order dated April 18, 2019.

⁴ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18080899, EO18121338, EO18121339, and EO18121337, Order Determining the Forward Steps in the ZEC Program and Currently Approved Applications, Order dated July 10, 2019 (mandating yearly compliance filings in July); see also In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18080899, EO18121338, EO18121339, and EO18121337, Order Finalizing the Forward Steps in the ZEC Program and Modifications to the Application, Order dated May 20, 2020 (confirming, in part, yearly filing requirements).

⁵ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Public Service Electric and Gas Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 and EO18091004, Order dated December 16, 2020.

⁶ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Public Service Electric and Gas Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 and EO21101183, Order dated April 6, 2022 ("2021 ZEC Filing").

October 2022 Petition

On October 14, 2022, PSE&G submitted a filing with the Board seeking to set its RECCR to zero as of February 1, 2023 to prevent a future potential under-collection (“Petition”).

In the Petition, the Company noted that the 2021 ZEC Filing was designed to return Energy Year 2021 over-collections over a 12-month period starting January 1, 2022 but the proposed rate did not become effective until May 1, 2022. This resulted in an excess return of over-collection to customers. As a result, the Company estimated an under-collected balance, including interest, of \$1,191,060 as of January 2023.

For Energy Year 2022, the Company estimated a ZECRC over-collected balance of \$1,321,404. Accordingly, the estimated net balance would be an over-collected balance of \$130,344 as of January 31, 2023. The Company calculated a RECCR of (\$0.000003), but proposed to set the RECCR to zero beginning February 1, 2023, given the small balance, and noted that any remaining balance due to customers, including interest, would be carried over to the next year’s RECCR filing. PSE&G noted that any delay in approval of setting the RECCR rate to zero beyond February 1, 2023 could result in an under-collection.

Additionally, in the Petition, the Company requested that this and future RECCR filings be handled similarly to Basic Generation Service reconciliation filings each year through 30-day notice compliance filings, with provisional rates subject to additional examination by the Board, which would allow the Company to efficiently handle the ZECRC collection balances and reduce regulatory expenses related to notice requirements of approximately \$50,000 per public notice.

Through discovery, the Company provided updated schedules with actuals through November 2022 that reflected an updated calculated RECCR rate of (\$0.000002) based on an over-collected balance of \$80,576 as of January 31, 2023. The Company continued to propose to maintain its original request of setting the RECCR to zero.

After notice in newspapers of general circulation within the Company’s service territory, virtual public hearings were held on January 5, 2023 at 4:30 p.m. and 5:30 p.m.⁷ No members of the public attended the hearing. Additionally, the Board received no written comments regarding the Petition.

On January 13, 2023, the New Jersey Division of Rate Counsel (“Rate Counsel”) filed a letter with the Board in this matter. In its letter, Rate Counsel stated that it does not object to PSE&G’s request to set its ZECRC rate to be effective for Energy Year 2023 at \$0.000000.⁸ Rate Counsel stated that it did not disagree with the data in support of the originally calculated ZECRC rate of (\$0.000003) or the updated ZECRC rate of (\$0.000002). In addition, Rate Counsel stated that it was unclear how a compliance filing with a 30-day notice would satisfy the Board’s statutory public hearing notice requirements when a proposed adjusted rate would lead to an increase in rates.

DISCUSSION AND FINDINGS

The Board reviewed the record in this matter, and **HEREBY APPROVES** PSE&G’s proposed RECCR and tariff. The Board **HEREBY APPROVES** a revised total PSE&G ZECRC rate of

⁷ Due to the COVID-19 Pandemic, the public hearings were held virtually.

⁸ Energy Year 2023 runs from June 1, 2022 through May 31, 2023.

\$0.004265 per kWh, including SUT, for service rendered on and after February 1, 2023 until changed by further Order by the Board. As a result, a residential customer using 650 kWh per month will see an increase of \$0.06 in their monthly bill.

Pursuant to N.J.S.A. 48:2-32.4 and 48:2-32.6, public hearings must be held to review applications by gas and electric light, heat and power companies other than municipally-owned companies "for significant increases, changes, or alterations in their rate schedules" The Board **HEREBY NOTES** that any reduction to a credit rate is considered an increase in that rate and the customer's respective bill. The Board declines at this time to predetermine that PSE&G's future RECCR adjustment filings will not require, or otherwise justify according to the Board's discretion, public hearings. Accordingly, the Board **HEREBY DENIES** PSE&G's request that, if future RECCR adjustments are required, rate changes be handled via a 30-day compliance filing.

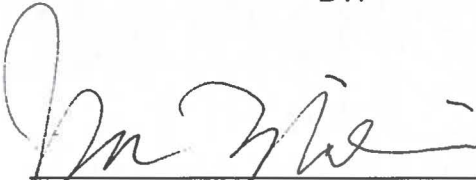
The Board **HEREBY DIRECTS** PSE&G to file revised tariffs prior to January 31, 2023.

The Company's costs will remain subject to audit by the Board. This Order shall not preclude or prohibit the Board from taking further action relating to any such audit.


The effective date of this Order is January 25, 2023.

DATED: January 25, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



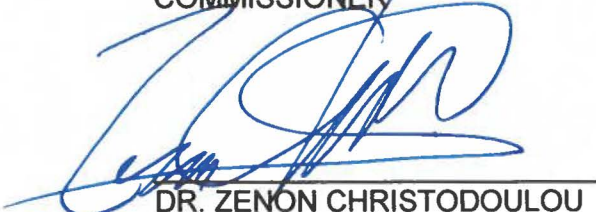
MARY ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST: 

CARMEN D. DIAZ
ACTING SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities. 4

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF
A ZERO EMISSION CERTIFICATE RECOVERY CHARGE

BPU DOCKET NO. EO22100658

SERVICE LIST

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