



Agenda Date: 1/10/24
Agenda Item: IIA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

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 THE TARIFFS)
FOR ELECTRIC AND GAS SERVICE, B.P.U.N.J. NO.)
17 ELECTRIC AND B.P.U.N.J. NO. 17 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)

ORDER SUSPENDING)
INCREASES, CHANGES OR)
ALTERATIONS IN RATES FOR)
SERVICE)

DOCKET NOS. ER23120924)
AND GR23120925)

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Katherine E. Smith, Esq., on behalf of Public Service Electric and Gas Company

BY THE BOARD:¹

On December 29, 2023, pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 N.J.S.A. 48:2-21.1, and N.J.A.C. 14:1-5.12, Public Service Electric and Gas Company (“PSE&G” or “Company”), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities (“Board”), filed a petition for approval of an increase in its current base rates for electric service of approximately \$522 million, excluding Sales and Use Tax (“SUT”) and an increase in its current base rates for gas service of approximately \$423 million, to be effective for electric service provided on and after January 29, 2024 (“Petition”).

Additionally, in the Petition, PSE&G sought: 1) recovery of storm costs through a new clause component rather than through base rates; 2) recovery of gas bad debt expense through a new component of the Societal Benefits Charge (“SBC”) rather than through base rates; and 3) an adjustment to flow-back certain tax benefits to customers through the Tax Adjustment Credit (“TAC”). The net revenue impact of all proposals to electric customers is an increase of approximately \$462 million. The net revenue impact of all proposals to gas customers is an increase of approximately \$364 million.

¹ Commissioner Michael Bange abstained from voting on this matter.

According to the Petition, the Company filed the Petition, in part, to comply with the Board's Orders approving the second phase of PSE&G's Gas System Modernization Program ("GSMP II") and the Company's Energy Strong II Program.²

According to PSE&G, the key drivers of this rate request include recovery of Board-approved capital investments and deferrals, and resets of Board-approved cost recovery clauses such as stipulated base program and deferred recovery on investments for Energy Strong II, GSMP II, Infrastructure Advancement Program ("IAP"), the Clean Energy Future – Energy Cloud ("CEF-EC") program for installation of advanced meter infrastructure, the Clean Energy Future – Electric Vehicle ("CEF-EV") program, and the Mason Station project, along with other significant capital expenditures. Additionally, PSE&G claimed an additional major driver is deferred storm costs related to major storms.

By the Petition, PSE&G sought the following

- A prudency determination and final rate recovery of the following programs:
 - NJ Transit Mason Substation
 - GSMP II
 - Energy Strong II
 - CEF-EC
- A prudency determination and recovery of investments and expenditures associated with the Company's CEF-EV program investments that are in-service.
- Recovery of the investments in Energy Strong II, GSMP II, and the Infrastructure Advancement Program that are not subject to interim recovery.
 - authority to:
 - Authorize a return on equity of 10.40%;
 - Modification of its depreciation rates;
 - Approval of several rate and tariff changes.

The proposed revisions, if approved, will increase existing rates and change or alter existing classifications in the Company's tariff,

DISCUSSION AND FINDINGS

After careful consideration of the Petition, the Board **HEREBY ORDERS** that:

(1) Pursuant to N.J.S.A. 48:2-21(d), and consistent with N.J.A.C. 14:1-5.12, the proposed revisions be suspended until May 29, 2024, unless the Board makes a determination disposing of the Petition or enters an Order further suspending the proposed revisions prior to that date;

(2) PSE&G shall, at least 10 days prior to the date set for hearing on the Petition by the Office of Administrative Law ("OAL"), file with the Board and the OAL, proof of compliance

² In re the Petition of Public Service Electric and Gas Co. for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism ("GSMP II"), BPU Docket No. GR17070776, Order dated May 22, 2018 ("GSMP II Order") AND In re the Petition of Public Service Electric and Gas Co. for Approval of the Second Energy Strong Program ("Energy Strong II"), BPU Docket Nos. EO18060629 and GO18060630, Order dated September 11, 2019 ("Energy Strong II Order"). The GSMP II Order required PSE&G to file a base rate case no later than January 1, 2024. The Energy Strong II Order required PSE&G to file a base rate case no later than December 31, 2023.

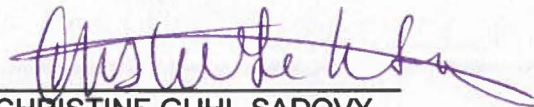
with the N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c) notice provisions, which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and

(3) PSE&G shall serve copies of this Order upon the OAL, the New Jersey Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, N.J. 08625), the clerk of each affected municipality, the clerk of the Boards of County Commissioners of each affected county, and, where appropriate, the executive officer of the affected county within its service area. Service of the Petition, notice of hearings, and this Order may be made simultaneously. Proof of Service of this Order shall be filed with the Board.

The Order shall be effective on January 17, 2024.

DATED: January 10, 2024

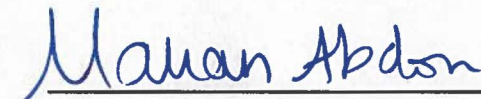
BOARD OF PUBLIC UTILITIES
BY:



CHRISTINE GUHL-SADOVY
PRESIDENT



DR. ZENON CHRISTODOULOU
COMMISSIONER



MARIAN ABDOU
COMMISSIONER

ATTEST:



SHERRI L. GOLDEN
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 THE TARIFFS FOR ELECTRIC AND GAS SERVICE, B.P.U.N.J. NO. 17 ELECTRIC AND B.P.U.N.J. NO. 17 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. ER23120924 and GR23120925

SERVICE LIST

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri L. Golden, Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Office of the General Counsel

Michael Beck, General Counsel
michael.beck@bpu.nj.gov

Carol Artale, Deputy General Counsel
carol.artale@bpu.nj.gov

Heather Weisband, Senior Counsel
heather.weisband@bpu.nj.gov

Economist's Office

Benjamin Witherell, Chief Economist
benjamin.witherell@bpu.nj.gov

Jackie O'Grady
jackie.ograd@bpu.nj.gov

Division of Engineering

Dean Taklif
dean.taklif@bpu.nj.gov

Christopher Oprysk
christopher.oprysk@bpu.nj.gov

David Brown
david.brown@bpu.nj.gov

Nisa Rizvi
nisa.rizvi@bpu.nj.gov

BPU cont'd

Division of Revenue and Rates

Bart Kilar
bart.kilar@bpu.nj.gov

Jackie Galka
jacqueline.galka@bpu.nj.gov

Bill Barkasy
william.barkasy@bpu.nj.gov

AJ DeAnni
anthony.deanni@bpu.nj.gov

Dari Urban
dari.urban@bpu.nj.gov

Andrew Tuzzo
andrew.tuzzo@bpu.nj.gov

Justin Cederberg
justin.cederberg@bpu.nj.gov

Kofi Ocansey
kofi.ocansey@bpu.nj.gov

Kyle Felton
kyle.felton@bpu.nj.gov

Cindy Bianco
cindy.bianco@bpu.nj.gov

New Jersey Division of Law

25 Market Street
Post Office Box 112
Trenton, NJ 08625

Pamela Owen, ASC, DAG
pamela.owen@law.njoag.gov

Daren Eppley, DAG
daren.eppley@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Steven Chaplar, DAG
steven.chaplar@law.njoag.gov

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625

Brian Lipman, Esq., Director
blipman@rpa.nj.gov

T. David Wand, Esq., Managing Attorney
dwand@rpa.nj.gov

Maura Caroselli, Esq., Managing Attorney
mcaroselli@rpa.nj.gov

Public Service Electric and Gas Company

80 Park Plaza, T10
P.O. Box 570
Newark NJ 07102

Joseph F. Accardo, Jr., Esq.
joseph.accardojr@pseg.com

Katherine E. Smith, Esq.
katherine.smith@pseg.com

Aaron I. Karp, Esq.
aaron.karp@pseg.com

Danielle Lopez, Esq.
danielle.lopez@pseg.com

Matthew M. Weissman, Esq.
matthew.weissman@pseg.com

Stacey Mickles, Esq.
stacey.mickles@pseg.com

Caitlyn White
caitlyn.white@psedg.com

Bernard Smalls
bernard.smalls@pseg.com