



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 ELECTRIC)
AND GAS COMPANY'S 2016/2017 ANNUAL BGSS)
COMMODITY CHARGE FILING FOR ITS)
RESIDENTIAL GAS CUSTOMERS UNDER ITS)
PERIODIC PRICING MECHANISM AND FOR)
CHANGES IN ITS BALANCING CHARGE)

DECISION AND ORDER
APPROVING STIPULATION
FOR FINAL BGSS-RSG RATES
BPU DOCKET NO. GR16060486
OAL DOCKET NO. PUC17360-16

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:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers an Initial Decision executed by Administrative Law Judge ("ALJ") Diana Sukovich and Stipulation for Final Rates ("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 Order dated January 6, 2003,¹ in Docket No. GX01050304 ("January 2003 BGSS Order"), the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs") to submit to the Board by June 1 its annual Basic Gas Supply Service ("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

¹ I/M/O the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act, N.J.S.A. 48:3-49 et seq. -- BGSS Pricing, BPU Docket No. GX01050304, Order dated January 6, 2003.

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.

On June 1, 2016, PSE&G filed a petition, which was subsequently amended on July 19, 2016, with the Board requesting approval to decrease its BGSS Commodity Charge to Residential Service ("RSG") customers and to decrease its Balancing Charge to customers receiving service under RSG, General Service ("GSG"), Large Volume Service ("LVG") and Contract Service ("CSG") where applicable effective October 1, 2016 or earlier, should the Board deem it appropriate. Approval of the Company's request would result in a decrease in annual BGSS-RSG revenues of approximately \$81.0 million, excluding losses and Sales and Use Tax ("SUT"). The Company requested a per therm decrease in the BGSS-RSG Commodity Charge rate from \$0.401235² per therm to \$0.339858 per therm and a decrease in its November through March Balancing Charge³ rate from \$0.093827 per therm to \$0.090369 per therm.

In the amended petition, the Company also requested the unaccounted for gas loss factor be set at two (2) percent for all customer classes. Although the loss factor is increasing, PSE&G asserted that there would be no rate impact to BGSS-RSG customers at this time due to the loss factor change. The Company proposes to defer the costs of this adjustment in its BGSS-RSG clause for recovery in its 2017-2018 BGSS filing.

After publication of notice in newspapers of general circulation in PSE&G's service territory, public hearings were scheduled and conducted in Hackensack, Mt. Holly, and New Brunswick, on August 22, 23, and 24, 2016, respectively. Two (2) members of the public expressed general concerns about high utility rates and opposition to shutting off service for lack of payment. One member of the public commented on gas costs associated with BGSS.

Subsequent to the June 1, 2016 filing, the Company made a Compliance Filing on August 25, 2016 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. ER16030272 and GR16030273. As a result of August 2016 Energy Strong Rate Adjustment Order, the Company's BGSS-RSG Commodity per therm rate was reduced from \$0.401235 to \$0.401110 effective September 1, 2016.⁵

On September 23, 2016, the Board issued an Order ("September 2016 Provisional Order") in this docket approving a stipulation executed by the Parties. The September 2016 Provisional Order authorized PSE&G to implement the updated BGSS rate of \$0.339858 and updated

² All rates quoted herein include losses and SUT unless otherwise stated.

³ The Balancing Charge recovers the cost of providing gas storage and peaking services. The Balancing Charge is assessed for the five winter months: November through March.

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. ER16030272 and GR16030273, Order dated August 23, 2016. ("August 2016 Energy Strong Rate Adjustment Order")

⁵ On November 14, 2016, the Board issued a Secretary's Letter under Docket No. ER16111054, for all New Jersey Electric and Gas Utilities, pursuant to P.L.2016, c57, states that the SUT to be charged to customers for utility service has been changed from 7% to 6.875% effective January 1, 2017. This action reduced the Balancing Charge from \$0.090369 per therm (including SUT) to \$0.090263 per therm (including SUT).

Balancing Charge rate of \$0.090369 on a provisional basis. Based upon rates in effect at the time of the June 1, 2016 filing, with the combined decreases in the BGSS Commodity and Balancing charges, the provisionally approved rates lowered the annual bill of a residential heating customer using 100 therms per month during the winter months and 610 therms on an annual basis from \$553.39 to \$514.70, a decrease of \$38.69 or 6.99 percent, while the annual bill of a typical residential heating customer using 165 therms per month during the winter and 1,010 therms on an annual basis was be lowered from \$870.33 to \$806.33, a decrease of \$64.00 or 7.35 percent based on the provisionally approved rates.⁶

On November 14, 2016, the Board transmitted the matter to the Office of Administrative Law as a contested case where it was subsequently assigned to ALJ Sukovich.

Subsequent to the September 2016 Provisional Order, the Company made a compliance filing on December 21, 2016 in response to the Board's Order⁷ in the Company's petition for approval of Gas Base Rate Adjustments Pursuant to its Gas System Modernization Program ("GSMP") under Docket No. GO16070711. As a result of the December 2016 GSMP Rate Adjustment Order, the Company's BGSS-RSG Commodity Charge per therm rate was reduced from \$0.339858 to \$0.339408 effective January 1, 2017.

STIPULATION

Subsequent to discovery and substantive discussions of the issues, on April 10, 2017 the Parties executed a Stipulation for Final BGSS Rates ("Stipulation") that provides for the following:⁸

1. The Company's BGSS Commodity Service Tariff rate BGSS-RSG of \$0.339408 per therm will remain in effect at this time. The Company's balancing charge of \$0.090263 per therm, which recovers the costs of providing storage and peaking services and is assessed for the five winter months- November 1 to March 1, will also remain in effect at this time.
2. The Parties agree that the aforementioned BGSS-RSG Commodity charge and BGSS Balancing charge shall be deemed final.
3. The Parties further agree that the unaccounted for gas loss factor shall be set at 2% for all customer classes and all applications and references to losses as set forth or contained within the Company's Tariff for Gas Service, commencing the first of the month following the effective date of a final Board Order of approval in this matter. However, for BGSS-RSG, the current Tariff Sheet No. 54, inclusive with the current gas unaccounted for loss factor, shall remain unchanged at this time. The Company shall include the revised unaccounted for gas loss factor in the BGSS-RSG filing to be made on or before June 1, 2017 for service effective October 1, 2017.

⁶ The above bill impacts are assuming that the customer receives BGSS service from PSE&G.

⁷ 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. GO16070711, Order dated December 11, 2016. ("December 2016 GSMP Rate Adjustment Order")

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.

4. 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 \$86.73 (based upon rates in effect on March 1, 2017 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 annual bill of \$861.02 (based upon rates in effect on March 1, 2017 and assuming that the customer receives BGSS service from PSE&G not including any BGSS-RSG bill credits).
5. Attached to the Stipulation as Exhibit C are the Company's tariff sheets which reflect the current BGSS-RSG Commodity Charge and Balancing Charge effective January 1, 2017, as well as the \$0.075 per therm bill credit in effect through March 31, 2017.
6. In PSE&G's BGSS proceeding for 2015-2016 (BPU Docket No. GR15060647, OAL Docket No. PUC14767-2015N), PSE&G agreed that beginning with the 2016-2017 BGSS filing, PSE&G would prepare 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 includes 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 Comprehensive Gas Supply Plan and supporting sources and documentation will be made available to the Board's Staff and Rate Counsel as part of the Company's future BGSS proceedings. PSE&G agrees that as part of providing the forgoing, in its 2017-2018 and subsequent BGSS filings, it will provide specific information regarding changes to the Company's pipeline transportation and storage capacity portfolio that could impact the costs to be included in the annual BGSS filings. If information to be provided pursuant to the forgoing requires confidential treatment, PSE&G will withhold such information until an agreement of non-disclosure is in place.

7. 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. The Parties further agree that PSE&G shall make a filing with the Board on or before July 1, 2018 to assess the level of the BGSS Asset Charge. This charge was established in the Stipulation dated May 21, 2013 in Docket No GM12100935, regarding the Rate Schedule CSG Transportation Service Agreement between PSE&G and PSEG Power dated October 12, 2012 and approved by Board Order dated May 29, 2013. That filing shall be independent of PSE&G's regular Annual BGSS Filing and shall be addressed in a separately docketed proceeding. Any change to the level of the BGSS Asset Charge as a result of that proceeding shall be effective on a prospective basis following a final Board Order approving the change.

On April 12, 2017, ALJ Sukovich 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 Sukovich'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 \$0.339408 per therm and the Balancing Charge of \$0.090263 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.

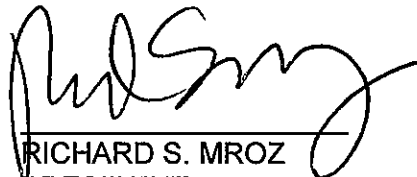
The Board **HEREBY ORDERS** PSE&G to file tariffs consistent with the Board's Order within five (5) days of service of this Order.

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 1, 2017.

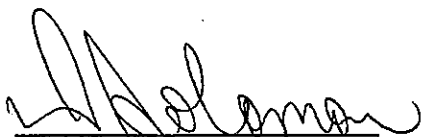
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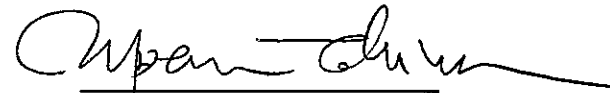
BOARD OF PUBLIC UTILITIES
BY:

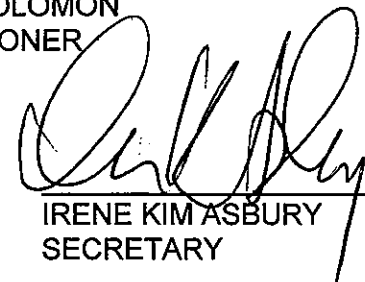

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

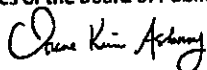

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 2016/2017 ANNUAL BGSS
COMMODITY CHARGE FILING FOR ITS RESIDENTIAL GAS CUSTOMERS UNDER ITS PERIODIC
PRICING MECHANISM AND FOR CHANGES IN ITS BALANCING CHARGE

DOCKET NO. GR16060486
OAL DOCKET NO. PUC 17360-16

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 17360-16

AGENCY DKT. NO. GR 16060486

**IN THE MATTER OF PUBLIC SERVICE ELECTRIC
AND GAS COMPANY'S 2016/2017 ANNUAL BGSS COMMODITY CHARGE FILING
FOR ITS RESIDENTIAL GAS CUSTOMERS UNDER ITS PERIODIC PRICING
MECHANISM AND FOR CHANGES IN ITS BALANCING CHARGE**

Matthew M. Weissman, Esq., General Regulatory Counsel-Rates, for petitioner
Public Service Electric and Gas Company

Felicia Thomas-Friel, Deputy Rate Counsel, and **Sarah H. Steindel** and **Maura Caroselli**, Assistant Deputy Rate Counsels, for intervener the Division of Rate Counsel (Stephanie A. Brand, Director, attorney)

Alex Moreau, **Patricia A. Krogman**, and **Emma Yao Xiao**, Deputy Attorneys
Generals, for the Staff of the Board of Public Utilities (Christopher S.
Porrino, Attorney General of New Jersey, attorney)

Record Closed: April 11, 2017

Decided: April 12, 2017

BEFORE: **DIANA C. SUKOVICH**, ALJ t/a:

PROCEDURAL HISTORY

On June 1, 2016, Public Service Electric and Gas Company (petitioner) made a filing with the Board of Public Utilities (Board), supplemented by an amended filing, dated July 19, 2016, requesting a decrease in its Annual Basic Gas Supply Service (BGSS) gas revenues, to be effective October 1, 2016, or earlier, if approved by the Board. Public hearings were held in Hackensack, Mount Holly, and New Brunswick, New Jersey, on August 22, 23, and 24, 2016, respectively. Two members of the public expressed general concerns about the level of utility rates and opposition to termination of service for non-payment. One commented on gas costs associated with the BGSS. Subsequent to further proceedings, the Board transmitted the matter to the Office of Administrative Law on November 14, 2016, for determination as a contested case pursuant to N.J.S.A. 52:14F-1 to -13.

Telephone conferences were conducted throughout the proceedings. The parties also conferred throughout the proceedings and reached a resolution of the matter. An executed Stipulation of Settlement (Stipulation) and attachments thereto (Attachments A-C) were filed on April 11, 2017, on which date the record was closed. Attached herewith are copies of the Stipulation and the attachments thereto.

NATURE OF THE CASE

The pending question, generally, is whether the Stipulation should be approved. I am persuaded that it should be.

FINDINGS OF FACT

The filing, as supplemented, requested a decrease in petitioner's annual BGSS gas revenues of approximately \$81,000,000, a decrease in the BGSS Commodity Charge (Commodity Charge) to Residential Service Customers (BGSS RSG) from \$0.401235 per therm, including losses and the New Jersey Sales Use Tax (SUT), to \$0.339858 per

therm, including losses and the SUT. Petitioner also requested a decrease in its Balancing Charge from \$0.093827 per therm, including losses and the SUT, to \$0.090369 per therm, including losses and the SUT, and that the unaccounted for gas loss factor (Factor) be set at 2% for all customer classes, with no rate impact for BGSS RSG customers.

On August 25, 2016, petitioner made a Compliance filing, in response to a Board Order in a prior matter, regarding the Energy Strong Program (ESP). As a result of a settlement of the ESP matter, petitioner's BGSS RSG Commodity Charge was reduced from \$0.401235 per therm, including losses and the SUT, to \$0.401110 per therm, including losses and the SUT, effective September 1, 2016. The parties agreed to implementation of petitioner's BGSS RSG Commodity Charge and Balancing Charge, as reflected in the initial filing, on a provisional basis. The Board approved the settlement on September 23, 2016. Thereafter, the Balancing Charge was reduced to \$0.090369 per therm, including the SUT, to reflect a change in the SUT which was effective January 1, 2017.

Subsequently, petitioner made a Compliance filing with the Board, on December 21, 2016, regarding another Board docket. The filing incorporated a bill credit of \$0.075 per therm, including the SUT, for BGSS RSG customers, effective January 1, 2017 through February 28, 2017. As a result of a settlement in that matter, petitioner's Commodity Charge was decreased to \$0.339408 per therm, including losses and the SUT, effective January 1, 2017.

The Stipulation in the current case addresses several matters. Petitioner's BGSS Commodity Service, Tariff rate BGSS RSG, of \$0.339408 per therm, including losses and the SUT, will remain in effect. The Balancing Charge of \$0.090263 per therm, including losses and the SUT, will also remain in effect. The parties additionally agree that the above referenced BGSS Commodity and Balancing Charges shall be deemed final.

The Stipulation also provides that the Factor be set at 2% for all customer classes and all applications and references to losses, as set forth in petitioner's Tariff for Gas

Service, commencing the first of the month following the effective date of approval in this matter. However, for BGSS RSG, current Tariff Sheet No. 54, inclusive with the current Factor, shall be unchanged. Petitioner shall include the revised Factor in a BGSS RSG filing to be made on or before June 1, 2017, effective October 1, 2017. Attachment C consists of tariff sheets reflecting the current Commodity and Balancing Charges, effective January 1, 2017, and the per therm bill credit, effective through March 31, 2017.

In a prior docket, petitioner agreed that, commencing with its 2016/2017 BGSS filing, it would prepare a Gas Supply Plan (Plan) regarding its objectives, approaches, and plans for supplying gas to residential customers. The Stipulation sets forth the elements of the Plan, with a description of each. The Plan and supporting sources and documentation are to be made available to Board Staff and Rate Counsel as part of petitioner's future BGSS filings, and also changes in petitioner's pipeline and transportation and storage capacity portfolio planned or under construction that could impact costs to be including in the filings, subject to any needed non-disclosure agreements. Petitioner agrees to continue to provide electronically to the parties, monthly, certain updated information, as reflected in Attachments A and B, and to make a filing with the Board, on or before July 1, 2018, to assess the level of its BGSS Asset Charge, which filing shall be independent of its regular annual BGSS filing.

I have reviewed the record and the settlement terms, and I **FIND** that the parties have voluntarily agreed to the Stipulation, as evidenced by their signatures thereon, and the Stipulation fully disposes of all issues in controversy and is consistent with the law.

CONCLUSIONS

I **CONCLUDE** that the Stipulation meets the requirements of N.J.A.C. 1:1-19.1 and it should be approved.

ORDERS

It is hereby **ORDERED** that the Stipulation and Attachments A-C thereto be and are hereby **APPROVED**; effective the effective date of this Decision, and these proceedings be concluded.

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

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.

April 12, 2017
DATE

Diana C. Sukovich
DIANA C. SUKOVICH, ALJ t/a

Date Received at Agency: _____

Date Mailed to Parties: _____

DCS/rr

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Via Overnight Mail

April 10, 2017

In the Matter of Public Service Electric and
Gas Company's 2016/2017 Annual BGSS Commodity
Charge Filing for its Residential Gas Customers
Under its Periodic Pricing Mechanism

BPU Docket No. GR16060486
OAL Docket No. PUC17360-16

Honorable Diana C. Sukovich, ALJ
Office of Administrative Law
33 Washington Street
Newark, New Jersey 07102

2017 APR 11 A 10:31

Dear Judge Sukovich:

Enclosed for filing please find Public Service Electric and Gas Company's fully-executed Stipulation for Final BGSS Rates.

Respectfully submitted,

A handwritten signature in cursive script that reads "Matthew Weissman".

Matthew M. Weissman

Attach.

C Service List (Electronic)

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04/04/2017

Public Service Electric and Gas Company
BGSS 2016-2017
GR16060486 - OAL-PUC 17360-16

Page 2 of 2

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF PUBLIC SERVICE)	
ELECTRIC AND GAS COMPANY'S)	
2016/2017 ANNUAL BGSS COMMODITY)	STIPULATION FOR
CHARGE FILING FOR ITS RESIDENTIAL)	FINAL BGSS RATES
GAS CUSTOMERS UNDER ITS PERIODIC)	
PRICING MECHANISM AND FOR CHANGES)	BPU DOCKET NO. GR16060486
IN ITS BALANCING CHARGE)	OAL DKT NO. PUC 17360-16

APPEARANCES:

Matthew M. Weissman, Esq., General Regulatory Counsel-Rates 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 (**Christopher S. Porrino, Attorney General of New Jersey**)

On June 1, 2016, Public Service Electric and Gas Company ("Public Service" or "the Company") made a filing in the above-referenced matter supplemented by an amended filing dated July 19, 2016, requesting a decrease in its Annual Basic Gas Supply Service ("BGSS") gas revenues of approximately \$81.0 million (excluding losses and New Jersey Sales and Use Tax, ("SUT")) to be implemented for service rendered on and after October 1, 2016 or earlier, should the Board deem it appropriate. As a result, the Company requested to decrease the BGSS Commodity Charge to Residential Service Customers ("BGSS-RSG") from \$0.401235 per therm (including losses and SUT) to \$0.339858 per therm (including losses and SUT). Additionally, the Company also requested a slight

decrease in its Balancing Charge, which recovers the cost of providing storage and peaking services, from \$0.093827 per therm (including losses and SUT) to a charge of \$0.090369 per therm (including losses and SUT), and that the unaccounted for gas loss factor be set at 2% for all customer classes, with no rate impact proposed for BGSS-RSG customers at this time due to the proposed loss factor change.

The proposed changes were implemented on a provisional basis as further described below and decreased the annual bill for a typical residential heating customer using 165 therms per winter month and 1,010 therms annually from \$870.33 to \$806.33, an annual decrease of \$64.00, or approximately 7.35% (based upon rates in effect on June 1, 2016 and assuming that the customer receives BGSS service from PSE&G). The proposed change as filed and provisionally approved lowered the annual bill for a residential heating customer using 100 therms per month during the winter months and 610 therms annually from \$553.39 to \$514.70, an annual decrease of \$38.69, or approximately 6.99% (based upon rates in effect on June 1, 2016 and assuming that the customer receives BGSS service from PSE&G).

Notice setting forth the Company's June 1, 2016 request for the BGSS Commodity Charge and Balancing Charge decreases, including the date, time and place of public hearings, was placed in newspapers having a circulation within the Company'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 Hackensack, Mount Holly and New Brunswick on August 22, 23, and 24, 2016, respectively. Two members of the public spoke and expressed general concerns about high utility rates and opposition to

shutting off service for lack of payment. One of the members of the public appearing commented specifically on gas costs associated with BGSS.

Subsequent to the June 1, 2016 Filing, the Company made a Compliance Filing on August 25, 2016 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. ER16030272 and GR16030273. As a result of the settlement of the Energy Strong Matter, the Company's BGSS-RSG Commodity Charge was reduced from \$0.401235 per therm (including losses and SUT) to \$0.401110 per therm (including losses and SUT) effective September 1, 2016.¹

Public Service, 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, Balancing Charge, and unaccounted for gas loss factor of 2% for all customer classes. However, the Parties also agreed that action with respect to the Company's BGSS-RSG Commodity Charge for the 2016-2017 BGSS year and Balancing Charge, on a provisional basis, was reasonable and therefore agreed to implement the BGSS-RSG Commodity charge and Balancing Charge filed as of October 1, 2016, or as soon as possible upon the issuance of a Board Order approving the Stipulation for Provisional BGSS Rates ("Stipulation"). The Stipulation was approved at the Board agenda meeting on September 23, 2016 and the BGSS charge was decreased from

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 a decrease in the monthly winter commodity bill of \$0.01. 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 a decrease in their annual commodity bill of \$0.10.

\$0.401110 per therm including losses and SUT to \$0.339858 per therm including losses and SUT effective for service rendered on and after October 1, 2016. The Company's Balancing Charge, which recovers the cost of providing storage and peaking services and is assessed for the five winter months – November 1 to March 31, was decreased from the current charge of \$0.093827 per therm (including losses and SUT) to a charge of \$0.090369 per therm (including losses and SUT).²

Subsequent to the provisional approval by the Board, the Company made a Compliance filing on December 21, 2016 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. GO16070711. As a result of the settlement of the GSMP, the Company's BGSS-RSG Commodity Charge was reduced from \$0.339858 per therm (including losses and SUT) to \$0.339408 per therm (including losses and SUT) effective January 1, 2017.

The December 21, 2016 compliance filing also included notification to the Board that it would be providing a bill credit of \$0.075 per therm (including SUT) for its BGSS-RSG customers to be effective January 1, 2017 through February 28, 2017 - 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.³

² On November 14, 2016, the Board issued a Secretary's Letter under Docket No. ER16111054, for all New Jersey Electric and Gas Utilities, pursuant to P.L.2016, c57, stating that the Sales and Use Tax (SUT) to be charged to customers for utility service has been changed from 7% to 6.875% effective January 1, 2017. This action reduced the Balancing Charge from \$0.090369 per therm (including SUT) to \$0.090263 per therm (including SUT).

³ On February 22, 2017 the Company notified the Board that it would be extending the credit (in the December 21, 2016 filing referenced above) to BGSS-RSG customers through March 31, 2017.

On November 14, 2016 the Board transmitted the matter to the Office of Administrative Law as a contested case where it was subsequently assigned to the Honorable Diana Sukovich, Administrative Law Judge ("ALJ"), t/a. ALJ Sukovich held a telephonic prehearing conference on December 29, 2016. The Parties represented that review and settlement discussions were ongoing. A telephone status conference with ALJ Sukovich was held on January 6, 2017. Following the January 6, 2017 telephone status conference, the Parties 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 \$0.339408 per therm (including losses and SUT) will remain in effect at this time. The Company's Balancing charge of \$0.090263 per therm (including losses and SUT), which recovers the cost of providing storage and peaking services and is assessed for the five winter months – November 1 to March 31, will also remain in effect at this time.
2. The Parties agree that the aforementioned BGSS-RSG Commodity charge and BGSS Balancing charge shall be deemed final.
3. The Parties further agree that the unaccounted for gas loss factor shall be set at 2% for all customer classes and all applications and references to losses as set forth or contained within the Company's Tariff for Gas Service, commencing the first of the month following the effective date of a final Board Order of approval in this matter. However, for BGSS-RSG, the current Tariff Sheet No. 54, inclusive with the current gas unaccounted for loss factor, shall remain unchanged at this time. The Company shall include the revised unaccounted for gas loss factor in the BGSS-RSG filing to be made on or before June 1, 2017 for service effective October 1, 2017.

4. 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 \$86.73 (based upon rates in effect on March 1, 2017 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 annual bill of \$861.02 (based upon rates in effect on March 1, 2017 and assuming that the customer receives BGSS service from PSE&G not including any BGSS-RSG bill credits).

5. Attached as Exhibit C to this Stipulation are the Company's tariff sheets which reflect the current BGSS-RSG Commodity Charge and Balancing Charge effective January 1, 2017 as well as the \$0.075 per therm bill credit in effect through March 31, 2017.

6. In PSE&G's BGSS proceeding for 2015-2016 (BPU Docket No. GR15060647, OAL Docket No. PUC14767-2015N), PSE&G agreed that beginning with the 2016-2017 BGSS filing, PSE&G would prepare 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 includes the following elements:

- *Gas Procurement Objectives* – The Company provides 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 identifies 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 are cited and available upon request.

- *Projected sources of capacity* – The Company provides 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 includes 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 also provides details on how the arm-length relationship is maintained.
- *Hedging Plan and Strategy* – The Company provides 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 identifies 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 provides a summary of prior-period capacity release and off-system sales and an estimate of these activities for the future period. The Company includes its assessment of the value of its capacity and sales potential, as well as an assessment of market conditions for the prior period.

The Comprehensive Gas Supply Plan and supporting sources and documentation will be made available to Board Staff and Rate Counsel as part of the Company's future BGSS proceedings. PSE&G agrees that as part of providing the forgoing, in its 2017-2018 and subsequent BGSS filings, it will provide specific information regarding changes to the Company's pipeline transportation and storage capacity portfolio that are planned or under construction that could impact the costs to be included in the annual BGSS filings. If information to be provided pursuant to the forgoing requires confidential treatment, PSE&G will withhold such information until an agreement of non-disclosure is in place.

7. 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 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.

8. The Parties further agree that PSE&G shall make a filing with the Board on or before July 1, 2018 to assess the level of the BGSS Asset Charge. This charge was established in the Stipulation dated May 21, 2013 in Docket No GM12100935, regarding the Rate Schedule CSG Transportation Service Agreement between PSE&G and PSEG Power dated October 12, 2012 and approved by Board Order dated May 29, 2013. That filing shall be independent of PSE&G's regular Annual BGSS Filing and shall be addressed in a separately docketed proceeding. Any change to the level of the BGSS Asset Charge as a result of that proceeding shall be effective on a prospective basis following a final Board Order approving the change.

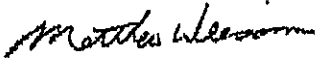
9. The undersigned agree that this Stipulation for a Final BGSS Rates contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its entirety. "In the event any particular aspect of this Stipulation is not accepted and approved by the Board, this Stipulation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


10. 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.

11. The undersigned Parties further HEREBY AGREE that this Stipulation for Final BGSS Rates 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 Final BGSS-RSG Commodity Charge and Balancing Charge.

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

STEFANIE A. BRAND
DIRECTOR,
DIVISION OF RATE COUNSEL

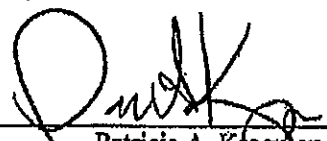
BY: 
Matthew M. Weissman, Esq.
General Regulatory Counsel-Rates

BY: 
Sarah H. Steindel
Assistant Deputy Rate Counsel

DATED: 4/5/2017

DATED: 4/10/17

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

BY: 
Patricia A. Krogman
Deputy Attorney General

DATED: 4/10/17

GR 160 684 86

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

Month	a BGSS	b NYMEX	c = b - a Incr/ (Decr)	% Chg	d Sales forecast (dths)	e Receipts (dths)	f Hedged volume (dths)	g = e - f Unhedged volume (dths)	h = c x g Change in value unhedged
Oct-14	\$4.422	\$3.984	(\$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	\$3.189	(\$1.451)		30,055	21,404	6,717	14,687	(\$21,311)
Feb-15	\$4.614	\$2.866	(\$1.748)		30,822	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	(\$8,196)
May-15	\$4.046	\$2.517	(\$1.529)		4,113	9,310	4,712	4,598	(\$7,030)
Jun-15	\$4.064	\$2.815	(\$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	\$2.766	(\$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	\$3.198	(\$0.097)		22,919	8,704	5,716	2,988	(\$290)
Mar-16	\$3.245	\$3.158	(\$0.087)		18,297	13,400	6,111	7,289	(\$634)
Apr-16	\$3.083	\$3.017	(\$0.066)		9,486	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	10,868	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%	134,797	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

Public Service Electric and Gas Company**Unitized Credits to BGSS-RSG****June 2015**

<u>Contribution Category</u>	<u>Credits</u> <u>(\$ 000)</u>	<u>BGSS-RSG</u> <u>Share of the</u> <u>Volumes</u> <u>(MDth)</u>	<u>Unitized</u> <u>Credits</u> <u>(\$/Dth)</u>
Interruptible Service Gas (ISG)	\$180	24	\$7.390
Cogeneration	\$1,999	2,382	\$0.839
Transportation Service Gas-Firm (TS)	\$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

Twenty-Fourth Revised Sheet No. 54

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

Superseding
Amended Twenty-Third 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	\$ 0.040386
Capital Adjustment Charge (See Tariff Sheet Nos. 48 to 49)	<u>0.000000</u>
Adjusted Non-Gulf Coast Cost of Gas	0.040386
Estimated Gulf Coast Cost of Gas	0.271159
Adjustment to Gulf Coast Cost of Gas	0.000000
Prior period (over) or under recovery.....	<u>0.004450</u>
Adjusted Cost of Gas	0.315995
 Commodity Charge after application of losses: (Loss Factor = 0.5%).....	 \$ 0.317575
 Commodity Charge including New Jersey Sales and Use Tax (SUT).....	 <u>\$ 0.339408</u>

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)
March 1, 2017 through March 31, 2017	(\$0.070175)	(\$0.075000)
April 1, 2017	\$0.000000	\$0.000000

Date of Issue: February 22, 2017

Effective: March 1, 2017

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 23, 2016

in Docket No. GR16060486

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**Amended
Tenth Revised Sheet No. 65
Superseding
Ninth Revised Sheet No. 65**

**RATE SCHEDULE RSG
RESIDENTIAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm delivery service for residential purposes. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

DELIVERY CHARGES:

Service Charge:

\$5.46 in each month [\$5.84 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.307818	\$0.328980	per therm

Balancing Charge:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.084457	\$0.090263	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Margin Adjustment Charge:

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs per the Board Order in Docket No. EO08030164. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

Weather Normalization Charge:

This charge is designed to adjust base rate recoveries to offset the effects of abnormal weather on sales. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period. Refer to the Weather Normalization Charge sheet of this Tariff for the current charge.

The Weather Normalization Charge will be combined with the Balancing Charge for billing.

The Societal Benefits Charge, the Margin Adjustment Charge and the Green Programs Recovery Charge will be combined with the Distribution Charge for billing.

Date of Issue: December 21, 2016

Effective: January 1, 2017

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 November 14, 2016 and December 12, 2016
in Docket Nos. ER16111054 and GO16070711

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
B.P.U.N.J. No. 15 GAS

Amended
Tenth Revised Sheet No. 72
Superseding
Ninth Revised Sheet No. 72

RATE SCHEDULE GSG
GENERAL SERVICE

APPLICABLE TO USE OF SERVICE FOR:

Firm delivery service for general purposes where: 1) customer does not qualify for RSG and 2) customer's usage does not exceed 3,000 therms in any month. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

DELIVERY CHARGES:

Service Charge:

\$11.59 in each month [\$12.39 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

<u>Pre-July 14, 1997 *</u>		<u>All Others</u>		
<u>Charge</u>	<u>Charge Including SUT</u>	<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.251844	\$0.269158	\$0.251844	\$0.269158	per therm

* Applicable to customers who have taken TPS supplied commodity service continuously since July 14, 1997.

Balancing Charge:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.084457	\$0.090263	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Margin Adjustment Charge:

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs per the Board Order in Docket No. EO08030164. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

Date of Issue: December 21, 2016

Effective: January 1, 2017

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 November 14, 2016 and December 12, 2016
in Docket Nos. ER16111054 and GO16070711

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**Amended
Ninth Revised Sheet No. 79
Superseding
Eighth Revised Sheet No. 79**

**RATE SCHEDULE LVG
LARGE VOLUME SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm delivery service for general purposes. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

DELIVERY CHARGES:

Service Charge:

\$100.12 in each month [\$107.00 including New Jersey Sales and Use Tax (SUT)].

Demand Charge (Applicable in the months of November through March):

<u>Charge</u>	<u>Charge Including SUT</u>	
\$3.8295	\$4.0928	per Demand Therm

Distribution Charges:

	<u>Per therm for the first 1,000 therms used in each month</u>		<u>Per therm in excess of 1,000 <u>therms</u> used in each month</u>	
	<u>Charges</u>	<u>Charges Including SUT</u>	<u>Charges</u>	<u>Charges Including SUT</u>
Pre-July 14, 1997 *	\$0.044153	\$0.047189	\$0.039804	\$0.042541
Post July 14, 1997	\$0.044153	\$0.047189	\$0.039804	\$0.042541

*Applicable to customers who have taken TPS supplied commodity service continuously since July 14, 1997.

Balancing Charge:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.084457	\$0.090263	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**Amended
Eighth Revised Sheet No. 112A
Superseding
Seventh Revised Sheet No. 112A**

**RATE SCHEDULE CSG
CONTRACT SERVICE
(Continued)**

ECONOMICALLY VIABLE BYPASS

DELIVERY CHARGES:

Service Charge:

\$550.09 in each month [\$587.91 including New Jersey Sales and Use Tax (SUT)]

Distribution Charge:

Net Alternative Delivery Cost multiplied by the applicable Net Alternative Delivery Cost Factor divided by the Contracted Monthly Therms rounded to the nearest \$0.000000 per therm.

Maintenance Charges:

Equals the Alternative Delivery Cost multiplied by the applicable Alternative Delivery Cost Factor divided by the Contract Monthly Therms rounded to the nearest \$0.000000 per therm.

Plus any customer site-specific ongoing or continuing cost not directly related to the operation, maintenance or inspection of the customer's planned by-pass pipeline. This shall include, but not be limited to, periodic payments for rights-of-way, easements, pipeline cost differentials, permits or other such costs. These charges shall be expressed on a monthly levelized basis over the term of service.

Public Service will also take into consideration any operational or deliverability differences that would be reasonably expected between the pipeline and/or service over Public Service's distribution system in determining Delivery Charges. In no event shall the Delivery Charges be lower than an amount sufficient to generate a return on the capital investments made by Public Service and recovery of marginal and embedded costs, including depreciation, to provide service to the customer over the term of each CSG agreement.

Balancing Charge:

Applicable only if the customer is provided Public Service's Basic Gas Supply Service – Firm (BGSS-F) default service.

<u>Charge</u>	<u>Charge</u> <u>Including SUT</u>	
\$0.084457	\$0.090263	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by government. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Societal Benefits Charge. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge and applicable exemptions.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs per the Board Order in Docket No. E008030164. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Green Programs Recovery Charge. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge and applicable exceptions.

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