



Agenda Date: 1/7/21  
Agenda Item: 2D

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC )  
SERVICE ELECTRIC AND GAS COMPANY'S )  
2020 ANNUAL MARGIN ADJUSTMENT CHARGE )  
("MAC") )  
)  
) DOCKET NO. GR20060384

**Parties of Record:**

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

BY THE BOARD:

On June 1, 2020, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking approval to adjust its Margin Adjustment Charge ("MAC") rates ("2020 MAC Petition"). By this Decision and Order, the Board considers a Stipulation for Provisional rates ("Stipulation") executed by PSE&G, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") which requests that the Board approve the revised MAC rate on a provisional basis, subject to refund with interest.

**BACKGROUND**

By Order dated January 9, 2002, the Company was authorized to implement the MAC to credit the net revenues associated with Transmission Service Gas Non-Firm ("TSG-NF") rates to customers on Rate Schedules Residential Service Gas ("RSG"), General Service Gas ("GSG"), Large Volume Service Gas ("LVG"), Firm Transportation Gas Service ("TSG-F") and Street Lighting Service ("SLG").<sup>1</sup> The purpose of the MAC is to properly allocate transportation/distribution costs to non-firm gas transportation customers having the ability to switch to alternative fuel sources (e.g. oil) in recognition that these customers should contribute,

---

<sup>1</sup> In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Gas Rates and for Changes in the Tariff for Gas Service B.P.U.N.J. No. 12, Gas Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. GR01050328, Order dated January 9, 2002.

along with firm customers, toward the costs associated with maintaining the distribution system. The MAC is set to ensure that margins from TSG-NF customers are credited to firm gas customers.

### **2020 MAC PETITION**

On June 1, 2020, PSE&G filed the 2020 MAC Petition seeking approval to adjust its MAC. The Company represented that for the period ending April 2020, the net MAC balance including cumulative interest was over-recovered by \$13.51 million. The Company's forecasted MAC balance for the period ending September 2020 was an over-collected balance of \$16.81 million, including interest. PSE&G proposes to modify the current MAC credit rate from \$0.009239 per therm to a credit rate of \$0.006951 per therm.<sup>2</sup> As requested, the modified MAC rate would increase PSE&G's revenues by \$5.53 million.

After publication of notice in newspapers of general circulation in PSE&G's service territory, two (2) telephonic public hearings were held on August 27, 2020 at 4:30 pm and 5:30 pm.<sup>3</sup> No members of the public attended or filed comments related to the Company's filing.

On November 2, 2020, PSE&G updated the information to include actual data through September 2020 ("November Update"). The November Update supported a MAC credit rate of \$0.006695 per therm, which is a rate increase of \$0.002544 from the current rate of \$0.009239 per therm. However, since the updated filing reflects a greater decrease in the MAC credit, which was not previously noticed, the Company did not request this adjusted rate.

### **STIPULATION**

Following a review of the June 2020 MAC Petition, the November Update, and discovery, the Parties executed the Stipulation, which provides, in part, as follows:<sup>4</sup>

1. The Company will implement a MAC credit rate of \$0.006951 per therm, including SUT, effective February 1, 2021, or as soon thereafter as the Board authorizes the effective date. The MAC credit rate is subject to interest on any net over- or under-recovered MAC balance. Interest based upon the seven-year Treasuries plus 60 basis points is to be adjusted August 1 of each year on any net over- or under-recovered MAC balance.<sup>5</sup> A tariff sheet reflecting the stipulated MAC of (\$0.006951) per therm including SUT, is attached to the Stipulation as Attachment A. The calculation of the stipulated rate is shown in Attachment B.

---

<sup>2</sup> All rates quoted herein include Sales and Use Tax.

<sup>3</sup> Due to the COVID-19 pandemic, public hearings were held telephonically.

<sup>4</sup> Although described in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order. Paragraphs are numbered to coincide with the Stipulation.

<sup>5</sup> Paragraph 12 of the Board's July 9, 2010 Order in BPU Docket No. GR09050422 directs that "[t]he Prospective MAC Balance will accrue two-way interest in the same manner as the existing MAC balance."

2. The Parties further agree that the actual MAC data through September 2020 is approved and actual results for October 1, 2020 forward will be reviewed in the Company's next MAC filing to be made by June 1 of 2021. As a result of the proposed MAC, PSE&G's typical residential gas heating customer using 100 therms per month during the winter months, and 610 therms on an annual basis, would see an increase in the annual bill from \$557.90 to \$559.26, or \$1.36 or approximately 0.24%. Moreover, under the Company's proposal, a typical residential gas heating customer using 172 therms per month during the winter months, and 1,040 therms on an annual basis, would see an increase in the annual bill from \$878.20 to \$880.58, or \$2.38 or approximately 0.27%. The residential customer bill impacts comparing the current and proposed charges are contained in Attachment C of the Stipulation.

### **DISCUSSION AND FINDING**

The Board, having carefully reviewed the record to date in this matter, including the 2020 MAC Petition, the November Update, and the Stipulation, **HEREBY FINDS** that, subject to the terms and conditions set forth below, the attached Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES** the per therm MAC credit rate of \$0.006951. Such rate shall remain in effect until changed by further Order. Any net over-recovered MAC balance at the end of the MAC period shall be subject to refund with interest.

As a result of the Stipulation, PSE&G's typical residential gas heating customers using 172 therms in a winter month and 1,040 therms on an annual basis would see an increase in their annual bill of \$2.38, or approximately 0.27%.

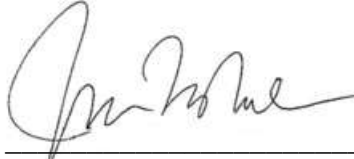
The Company is **HEREBY DIRECTED** to file tariffs consistent with the Board's Order by February 1, 2021.

The Company's costs, including those related to the MAC, 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.

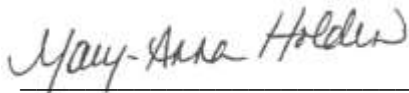
The effective date of this Order is January 17, 2021.

DATED: January 7, 2021

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

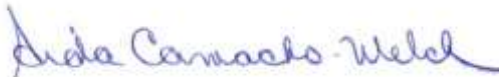


UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS  
COMPANY'S 2020 ANNUAL MARGIN ADJUSTMENT CHARGE ("MAC")

DOCKET NO. GR20060384

SERVICE LIST

**New Jersey Division of Rate Counsel**

140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Brian Lipman, Esq., Litigation Manager  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Felicia Thomas-Friel, Esq.  
[ftomas@rpa.nj.gov](mailto:ftomas@rpa.nj.gov)

Sarah Steindel, Esq.  
[ssteinde@rpa.nj.gov](mailto:ssteinde@rpa.nj.gov)

**Department of Law and Public Safety**

25 Market Street  
Post Office Box 112  
Trenton, NJ 08625

Matko Ilic, DAG  
[matko.ilic@law.njoag.gov](mailto:matko.ilic@law.njoag.gov)

Michael Beck, DAG  
[michael.beck@law.njoag.gov](mailto:michael.beck@law.njoag.gov)

Pamela Owen, DAG  
[Pamela.owen@law.njoag.gov](mailto:Pamela.owen@law.njoag.gov)

Daren Eppley, DAG  
[daren.eppley@law.njoag.gov](mailto:daren.eppley@law.njoag.gov)

**Board of Public Utilities**

44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, NJ 08625-0350

Aida Camacho-Welch, Board Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

**Division of Energy**

Stacy Peterson, Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Oneil Hamilton  
[oneil.hamilton@bpu.nj.gov](mailto:oneil.hamilton@bpu.nj.gov)

**Counsel's Office**

Heather Weisband, Senior Counsel  
[heather.weisband@bpu.nj.gov](mailto:heather.weisband@bpu.nj.gov)

**Public Service Electric and Gas Company**

PSE&G Services Corporation  
80 Park Plaza, T-5  
Post Office Box 570  
Newark, NJ 07102

Matthew M. Weissman Esq.  
[matthew.weissman@pseg.com](mailto:matthew.weissman@pseg.com)

Bernard Smalls  
[bernard.smalls@pseg.com](mailto:bernard.smalls@pseg.com)

Caitlyn White  
[caitlyn.White@pseg.com](mailto:caitlyn.White@pseg.com)

Michele Falcao  
[michele.falcao@pseg.com](mailto:michele.falcao@pseg.com)

Joseph A. Shea, Jr.  
Associate Counsel - Regulatory

Law Department  
PSEG Services Corporation  
80 Park Plaza – T5G, Newark, New Jersey 07102-4194  
tel: 973.430.7047 fax: 973.430.5983  
email: [Joseph.SheaJr@pseg.com](mailto:Joseph.SheaJr@pseg.com)



December 7, 2020

In the Matter of the Petition of  
Public Service Electric and Gas Company's  
2020 Annual Margin Adjustment Charge ("MAC")  
BPU Docket No.: GR20060384

**VIA ELECTRONIC MAIL**

Aida Camacho-Welch, Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Attached is the fully executed Stipulation resolving all aspects of above-referenced matter. All the parties have signed the Stipulation: Public Service Electric and Gas Company, the Staff of the New Jersey Board of Public Utilities ("BPU" or "Board"), and the New Jersey Division of Rate Counsel.

Consistent with the Order issued by the BPU in connection with *In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, dated March 19, 2020, this filing is being electronically filed with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

If you have any questions, please do not hesitate to contact me. Thank you for your consideration in this matter.

Very truly yours,

A handwritten signature in blue ink that reads "Joseph A. Shea, Jr." in a cursive script.

Joseph A. Shea, Jr.

C Attached Service List (electronic only)

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF PUBLIC SERVICE )  
ELECTRIC AND GAS COMPANY’S 2020 )  
ANNUAL MARGIN ADJUSTMENT CHARGE ) BPU DOCKET NO. GR20060384  
(MAC) )

STIPULATION AND AGREEMENT

**APPEARANCES:**

**Matthew M. Weissman**, Esq., Managing Counsel - State Regulatory, PSEG Services Corp., and **Joseph A. Shea, Jr.**, Esq., Associate Counsel - Regulatory, for the Petitioner, Public Service Electric and Gas

**Brian O. Lipman**, Esq., Litigation Manager, **Felicia Thomas-Friel**, Esq., Managing Attorney – Gas, **Sarah H. Steindel**, Esq., Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel (**Stefanie A. Brand**, Director).

**Matko Ilic**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey).

On June 1, 2020, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition and supporting documentation with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting authorization to reset the Company’s current Margin Adjustment Charge (“MAC”), (“June 2020 Petition”).

By way of background, on January 9, 2002, as a result of the Board’s Order in PSE&G’s gas base rate case in BPU Docket No. GR01050328, the MAC was implemented to credit the net revenues associated with Non-Firm Transportation Gas Service rates to certain customers on Rate Schedules Residential Service, General Service, Large Volume Service, Street Lighting Service and Firm Transportation Gas Service. The current MAC was established in the Board’s Order dated January 8, 2020 in Docket No. GR19060698.

Approval of the June 2020 Petition would decrease the credit to these gas customers. The calculated rate in the June 2020 Petition of (\$0.006951) per therm, including SUT, would result in a rate increase of \$0.002288 per therm from the current rate of (\$0.009239) per therm, including SUT, or \$5.53 million.

In accordance with the Board's March 19, 2020 COVID-19 Order, notice of this filing, the June 2020 Petition, testimony, and schedules, were served upon the Department of Law and Public Safety and upon the Director, New Jersey Division of Rate Counsel ("Rate Counsel") by electronic mail.<sup>1</sup> Electronic copies of the June 2020 Petition, testimony, and schedules were sent to the persons identified on the service list provided with this filing.

Notice of the Company's June 2020 Petition, including the date and time of the public hearings, was placed in newspapers having a circulation within the Company's gas service territory, and was served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company's gas service territory. As a result of the COVID-19 pandemic, and to comply with social distancing mandates issued by the Governor, the public hearings were conducted telephonically in lieu of in-person hearings. In accordance with that notice, telephonic public hearings on the Company's request were held at 4:30 p.m. and 5:30 p.m. on August 27, 2020. No members of the public provided comments at the hearing or filed written comments with the Board.

PSE&G subsequently updated the June 2020 Petition with actual data through September 2020 that supported a MAC of (\$0.006951) per therm, including SUT, that would result in a rate increase of 0.002288 from the current MAC of (\$0.009239) per therm, including SUT. Since

---

<sup>1</sup> *See In re the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic for a Temporary Waiver of the Requirements for Certain Non-Essential Obligations*, Docket No. EO20030254, dated March 19, 2020.



the updated filing with actuals through September 2020 reflect a larger decrease in the MAC credit, which was not previously noticed, the Company is not requesting this adjusted rate. However, the Company is requesting that actual data through September 2020 (as provided in response to RCR-A-0003 UPDATE) be approved. A tariff sheet reflecting approval of the stipulated MAC of (\$0.006951) per therm, including SUT, is attached hereto as **Attachment A**. The calculation of the stipulated rate is shown in **Attachment B**.

Upon review of the June 2020 Petition, Board Staff, Rate Counsel, and PSE&G (collectively, "Parties") **AGREE** that the MAC of (\$0.006951) per therm, including SUT, is reasonable at this time and **HEREBY FURTHER AGREE** as follows:

1. The Company will implement a MAC credit rate of \$0.006951 per therm, including SUT, effective February 1, 2021, or as soon thereafter as the Board authorizes the effective date. The MAC credit rate is subject to interest on any net over- or under-recovered MAC balance. Interest based upon the seven-year Treasuries plus 60 basis points is to be adjusted August 1 of each year on any net over- or under-recovered MAC balance.<sup>2</sup> A tariff sheet reflecting the stipulated MAC of (\$0.006951) per therm including SUT, is attached hereto as Attachment A. The calculation of the stipulated rate is shown in Attachment B.
2. The Parties further agree that the actual MAC data through September 2020 is approved and actual results for October 1, 2020 forward will be reviewed in the Company's next MAC filing to be made by June 1 of 2021. As a result of the proposed MAC, PSE&G's typical residential gas heating customer using 100 therms per month during the winter

---

<sup>2</sup> Paragraph 12 of the Board's July 9, 2010 Order in BPU Docket No. GR09050422 directs that "[t]he Prospective MAC Balance will accrue two-way interest in the same manner as the existing MAC balance."

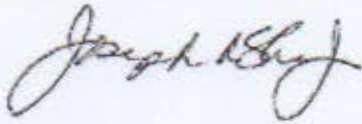
months, and 610 therms on an annual basis, would see an increase in the annual bill from \$557.90 to \$559.26, or \$1.36 or approximately 0.24%. Moreover, under the Company's proposal, a typical residential gas heating customer using 172 therms per month during the winter months, and 1,040 therms on an annual basis, would see an increase in the annual bill from \$878.20 to \$880.58, or \$2.38 or approximately 0.27%. The residential customer bill impacts comparing the current and proposed charges are contained in Attachment C.

3. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.
4. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.
5. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The

Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

6. The Parties 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.

PUBLIC SERVICE ELECTRIC AND GAS  
COMPANY



BY: \_\_\_\_\_  
Joseph A. Shea, Jr.  
Associate Counsel – Regulatory

DATED: December 2, 2020

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

BY: Matko Ilic  
Matko Ilic  
Deputy Attorney General

DATED: December 7, 2020

NEW JERSEY DIVISION OF RATE  
COUNSEL  
STEFANIE A. BRAND, DIRECTOR

BY: Sarah H. Steindel  
Sarah H. Steindel  
Assistant Deputy Rate Counsel

DATED: December 7, 2020

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 43**

**B.P.U.N.J. No. 16 GAS**

**Superseding**

**XXX Revised Sheet No. 43**

**MARGIN ADJUSTMENT CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG, TSG-F  
(Per Therm)**

Margin Adjustment Charge.....	<del>(\$0.006519)</del>
	<del>(\$0.008665)</del>
Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT).....	<del>(\$0.006951)</del>
	<del>(\$0.009239)</del>

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 43**

**B.P.U.N.J. No. 16 GAS**

**Superseding**

**XXX Revised Sheet No. 43**

**MARGIN ADJUSTMENT CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG, TSG-F  
(Per Therm)**

Margin Adjustment Charge ..... (\$0.006519)

Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT).....(\$0.006951)

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

**PSE&G - Margin Adjustment Clause  
Clause Balances Over/(Under) and  
Cummulative Interest Summary  
Actuals Through September 2020**

	(1) Column 10 from Schedule SS-MAC-3	(2) Column 13 from Schedule SS-MAC-3	(3) Col 1 + Col 2 + Col 3	
	<u>MAC Balance Over/(Under)</u>	<u>Cumulative Interest</u>	<u>Total Over/(Under) Recovery</u>	
<b>A c t u a l s</b>	Month			
	Sep-19	\$15,151,264	\$1,869,536	\$17,020,800
	Oct-19	\$15,700,996	\$1,900,002	\$17,600,998
	Nov-19	\$16,401,978	\$1,931,704	\$18,333,682
	Dec-19	\$15,483,665	\$1,963,191	\$17,446,857
	Jan-20	\$14,328,281	\$1,992,630	\$16,320,912
	Feb-20	\$15,335,945	\$29,293	\$15,365,238
	Mar-20	\$14,019,652	\$58,282	\$14,077,934
	Apr-20	\$13,420,068	\$85,379	\$13,505,447
	May-20	\$13,515,144	\$111,977	\$13,627,121
	Jun-20	\$14,306,952	\$139,452	\$14,446,404
	Jul-20	\$14,952,016	\$168,345	\$15,120,361
Aug-20	\$15,492,160	\$181,030	\$15,673,190	
Sep-20	\$15,996,713	\$194,150	\$16,190,863	

**PSE&G - Margin Adjustment Clause  
Balance Over/(Under) and Interest Calculation  
MAC Balance**

(\$'s - Unless noted)

Actuals Through September 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
						Col 1 - Col 2 - Col 3 - Col 4 - Col 5			Col 6 + Col 7 + Col 8	Prior Col 10 + Col 9		(Prior Col 10 + Col 10) / 2 * (Col 11 / 12)	Prior Col 13 + Col 12	Col 10 + Col 13	
					<u>Carrying Charge on New TSG-NF Customer Connection Investments</u>	<u>TSG-NF Net Margin Revenue</u>	<u>Prior Period Billing Adj.</u>	<u>MAC Credit</u>	<u>MAC Over/(Under) Recovery</u>	<u>MAC Balance</u>	<u>Annual Interest Rate</u>	<u>Interest on Prospective Balance</u>	<u>Cummulative Interest</u>	<u>Total MAC + Accumulated Interest Over/(Under) Recovery</u>	
<b>Month</b>	<u>Total TSG-NF Revenue</u>	<u>Total TSG-NF Expenses</u>	<u>LVG to TSG-NF Migration</u>	<u>TSG-NF to LVG Migration</u>											
<b>Monthly Calculations</b>															
<b>A c t u a l s</b>	Sep-19	\$1,595,685	\$496,285	\$13,854	(\$4,043)	\$0	\$1,089,589	\$51,612	(\$459,913)	\$681,288	\$15,151,264	2.37%	\$29,251	\$1,869,536	\$17,020,800
	Oct-19	\$1,866,050	\$631,380	\$14,036	(\$3,750)	\$0	\$1,224,384	\$56,886	(\$731,538)	\$549,732	\$15,700,996	2.37%	\$30,467	\$1,900,002	\$17,600,998
	Nov-19	\$2,056,548	\$625,961	\$15,611	(\$4,158)	\$0	\$1,419,134	\$51,851	(\$770,002)	\$700,983	\$16,401,978	2.37%	\$31,702	\$1,931,704	\$18,333,682
	Dec-19	\$2,315,027	\$719,036	\$19,955	(\$7,660)	\$0	\$1,583,696	\$76,199	(\$2,578,208)	(\$918,313)	\$15,483,665	2.37%	\$31,487	\$1,963,191	\$17,446,857
	Jan-20	\$1,973,527	\$593,301	\$22,968	(\$8,786)	\$0	\$1,366,044	\$92,278	(\$2,613,706)	(\$1,155,384)	\$14,328,281	2.37%	\$29,439	\$1,992,630	\$16,320,912
	Feb-20	\$2,480,700	\$634,933	\$22,000	(\$8,755)	\$0	\$1,832,522	\$96,760	(\$2,914,249)	(\$984,967)	\$15,335,945	2.37%	\$29,293	\$29,293	\$15,365,238
	Mar-20	\$1,698,779	\$588,188	\$20,893	(\$7,736)	\$0	\$1,097,434	\$90,535	(\$2,504,261)	(\$1,316,293)	\$14,019,652	2.37%	\$28,989	\$58,282	\$14,077,934
	Apr-20	\$1,848,101	\$553,810	\$19,456	(\$2,994)	\$0	\$1,277,828	\$63,806	(\$1,941,218)	(\$599,584)	\$13,420,068	2.37%	\$27,097	\$85,379	\$13,505,447
	May-20	\$1,645,107	\$483,958	\$17,312	(\$9,563)	\$0	\$1,153,400	\$63,806	(\$1,122,130)	\$95,076	\$13,515,144	2.37%	\$26,599	\$111,977	\$13,627,121
	Jun-20	\$1,339,066	\$413,294	\$14,709	(\$5,540)	\$0	\$916,603	\$74,853	(\$199,647)	\$791,809	\$14,306,952	2.37%	\$27,474	\$139,452	\$14,446,404
	Jul-20	\$1,620,287	\$479,367	\$11,270	(\$11,913)	\$0	\$1,141,563	\$111,050	(\$607,549)	\$645,064	\$14,952,016	2.37%	\$28,893	\$168,345	\$15,120,361
Aug-20	\$1,515,442	\$431,596	\$10,043	(\$7,549)	\$0	\$1,081,353	\$133,995	(\$675,204)	\$540,143	\$15,492,160	1.00%	\$12,685	\$181,030	\$15,673,190	
Sep-20	\$1,523,893	\$443,368	\$11,276	(\$8,575)	\$0	\$1,077,825	\$191,386	(\$764,658)	\$504,553	\$15,996,713	1.00%	\$13,120	\$194,150	\$16,190,863	

**Rate Calculation Actuals Through Spetember 2020**

1	Forecasted Total Over/(Under) Recovery Per Schedule SS-MAC-2	\$16,190,863
2	Forecasted Therms for October 1, 2020 to September 30, 2021	2,578,750,006
3=(1/2)*-1	Margin Adjustment Charge (Per Therm)	(\$0.006279)
4=3*1.06625	Margin Adjustment Charge (Including Sales and Use Tax)	(\$0.006695)
5	Existing Margin Adjustment Charge	(\$0.008665)
6=(3-5)*1	Margin Adjustment Charge Increase / (Decrease)	\$6,152,898

**Rate Calculation Actuals Through April 2020 Per Public Notice**

1	Forecasted Total Over/(Under) Recovery Per Schedule SS-MAC-2	\$16,809,893
2	Forecasted Therms for October 1, 2020 to September 30, 2021	2,578,750,006
3=(1/2)*-1	Margin Adjustment Charge (Per Therm)	(\$0.006519)
4=3*1.06625	Margin Adjustment Charge (Including Sales and Use Tax)	(\$0.006951)
5	Existing Margin Adjustment Charge	(\$0.008665)
6=(3-5)*1	Margin Adjustment Charge Increase / (Decrease)	\$5,533,998



## TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed change in the gas Margin Adjustment Charge (MAC) on typical residential gas bills, if approved by the Board, is illustrated below:

<b>Residential Gas Service</b>					
If Your Monthly Winter Therm Use Is:	And Your Annual Therm Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
25	170	\$227.72	\$228.08	\$0.36	0.16%
50	340	352.14	352.90	0.76	0.22
100	610	557.90	559.26	1.36	0.24
159	1,000	853.37	855.65	2.28	0.27
172	1,040	878.20	880.58	2.38	0.27
200	1,210	1,004.64	1,007.36	2.72	0.27
300	1,816	1,455.96	1,460.10	4.14	0.28

(1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect December 1, 2020.

(2) Same as (1) except includes change in the Margin Adjustment Charge.

<b>Residential Gas Service</b>					
If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
170	25	\$27.36	\$27.42	\$0.06	0.22%
340	50	46.12	46.23	0.11	0.24
610	100	84.54	84.76	0.22	0.26
1,040	172	139.21	139.60	0.39	0.28
1,210	200	160.43	160.89	0.46	0.29
1,816	300	236.35	237.03	0.68	0.29

(3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect December 1, 2020.

(4) Same as (3) except includes change in the Margin Adjustment Charge.

**BPU**

Aida Camacho-Welch  
Board of Public Utilities  
44 South Clinton Avenue, 3rd Floor, Suite 314  
Post Office Box 350  
Trenton NJ 08625-0350  
aida.camacho@bpu.nj.gov

**BPU**

Bart Kilar  
Board of Public Utilities  
44 South Clinton Avenue  
9th Floor  
P.O. Box 350  
Trenton NJ 08625-0350  
bart.kilar@bpu.nj.gov

**BPU**

Heather Weisband  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton NJ 08625  
heather.weisband@bpu.nj.gov

**PSE&G**

Joseph A. Shea Esq.  
PSEG Service Corporation  
80 Park Plaza, T5  
P.O. Box 570  
Newark NJ 07102  
(973) 430-7047  
joseph.shea@pseg.com

**PSE&G**

Caitlyn White  
PSEG Services Corporation  
80 Park Plaza, T-5  
P.O. Box 570  
Newark NJ 07102  
(973)-430-5659  
caitlyn.white@pseg.com

**Rate Counsel**

Kurt Lewandowski Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
klewando@rpa.state.nj.us

**BPU**

Paul Flanagan  
Board of Public Utilities  
44 South Clinton Avenue  
3rd Floor, Suite 314  
P.O. Box 350  
Trenton NJ 08625-2836  
paul.flanagan@bpu.nj.gov

**BPU**

Ilene Lampitt Esq.  
Board of Public Utilities  
44 South Clinton Avenue  
9th Floor  
Trenton NJ 08625-0350  
(609) 292-0843  
ilene.lampitt@bpu.nj.gov

**DAG**

Matko Ilic  
NJ Dept. of Law and Public Safety  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton NJ 08625  
matko.ilic@law.njoag.gov

**PSE&G**

Bernard Smalls  
PSEG Services Corporation  
80 Park Plaza-T5  
Newark NJ 07102-4194  
(973) 430-5930  
bernard.smalls@pseg.com

**Rate Counsel**

Stefanie A. Brand  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
sbrand@rpa.state.nj.us

**Rate Counsel**

Brian O. Lipman  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
blipman@rpa.nj.gov

**BPU**

Oneil Hamilton  
Board of Public Utilities  
44 South Clinton Avenue  
9th Floor  
P.O. Box 350  
Trenton NJ 08625-0350  
Oneil.Hamilton@bpu.nj.gov

**BPU**

Stacy Peterson  
Board of Public Utilities  
44 South Clinton Avenue  
9th Floor  
P.O. Box 350  
Trenton NJ 08625-0350  
(609) 292-4517  
stacy.peterson@bpu.nj.gov

**PSE&G**

Michele Falcao  
PSEG Services Corporation  
80 Park Plaza, T5  
P.O. Box 570  
Newark NJ 07102  
(973) 430-6119  
michele.falcao@pseg.com

**PSE&G**

Matthew M. Weissman Esq.  
PSEG Services Corporation  
80 Park Plaza, T5  
P.O. Box 570  
Newark NJ 07102  
(973) 430-7052  
matthew.weissman@pseg.com

**Rate Counsel**

Maura Caroselli Esq.  
Division of Rate Counsel  
140 East Front Street  
4th Floor  
Trenton NJ 08625  
mcaroselli@rpa.nj.gov

**Rate Counsel**

Shelly Massey  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
smassey@rpa.nj.gov

**Rate Counsel**

Sarah Steindel  
Division of Rate Counsel  
140 East Front Street, 4th Fl.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
ssteinde@rpa.state.nj.us

**Rate Counsel**

Felicia Thomas-Friel  
Division of Rate Counsel  
140 East Front Street, 4th Fl.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
fthomas@rpa.nj.gov

**Rate Counsel Consultant**

Dante Mugrace  
PCMG and Associates  
90 Moonlight Court  
Toms River NJ 08753  
dmugrace@pcmgregcon.com

**Rate Counsel Consultant**

Karl Pavlovic  
PCMG and Associates, LLC  
22 Brooks Avenue  
Gaithersburg MD 20877  
kpavlovic@pcmgregcon.com