



Agenda Date: 7/12/23  
Agenda Item: 2C

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</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 FOR )  
APPROVAL OF CHANGES IN ITS ELECTRIC TAX )  
ADJUSTMENT CREDIT AND GAS TAX ) BPU DOCKET NOS. ER22100667 and  
ADJUSTMENT CREDIT (“2022 TAC FILING”) ) GR22100668

**Parties of Record:**

**Aaron I. Karp, Esq.**, Public Service Electric and Gas Company  
**Brian O. Lipman, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:<sup>1</sup>

On October 31, 2022, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval for electric and gas base rate changes associated with the Electric Tax Adjustment Credit (“ETAC”) and Gas Tax Adjustment Credit (“GTAC”) (collectively, “TACs”) to establish revised rates for 2023 (“October 2022 TAC Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by PSE&G, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (“Staff”) (collectively, “Parties”), intended to resolve the Company’s request to revise its TACs.

**BACKGROUND**

On December 22, 2017, the Tax Cuts and Job Act, P.L. 115 c. 97 (“2017 Act”), was signed into law, with an effective date of January 1, 2018. The 2017 Act set forth changes to the Federal Internal Revenue Tax Code, including a reduction in the maximum corporate tax rate from 35% to 21%. The Board reviewed the 2017 Act, and on January 31, 2018, issued an Order finding that the 2017 Act resulted in a savings to New Jersey public utilities through an over-collection of tax revenue not paid in federal income taxes.<sup>2</sup> As such, the Consideration Order directed several New Jersey public utilities, including PSE&G, to make filings to ensure that any tax savings resulting from the 2017 Act are provided to the ratepayers.

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<sup>1</sup> Commissioner Marian Abdou did not participate.

<sup>2</sup> In re the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017, BPU Docket No. AX18010001, Order dated January 31, 2018 (“Consideration Order”).

On March 2, 2018, the Company filed a petition pursuant to the Consideration Order that included a proposed plan as well as tariff sheets reducing its electric and gas distribution rates to reflect the impact of the 2017 Act. By Order dated March 26, 2018, the Board found that PSE&G's proposed plan should be reviewed in the Company's 2018 Base Rate Case.<sup>3</sup> The March 2018 Order also directed the Company to file tariffs reflecting its proposed rate reduction to be effective April 1, 2018, on an interim basis, subject to the outcome of its 2018 Base Rate Case. Pursuant to the March 2018 Order, the Company reduced its base rates effective April 1, 2018 to eliminate any further over-collection. PSE&G deferred the over-collection for the period January 1, 2018 through March 31, 2018 ("Stub Period") on the books for return to customers.

By Order dated October 29, 2018, the Board approved a stipulation in PSE&G's 2018 Base Rate Case, which included the initial implementation of the TACs along with a revenue requirement increase.<sup>4</sup> Additionally, pursuant to the 2018 Base Rate Case Order, the excess income tax recovery for the Stub Period was refunded to customers over a two (2) month period, November and December 2018, with interest. The TACs were to reset in January 2019.

By Order dated January 22, 2020, the Board approved the implementation of revised ETAC and GTAC rates on a provisional basis, effective on and after February 1, 2020, subject to refund, with interest on any net over recovered balance.<sup>5</sup> By Order dated July 15, 2020, the Board approved a stipulation finalizing the review of PSE&G's 2019 TAC filing.<sup>6</sup> As approved in the July 2020 Order, PSE&G's TAC rates were updated to reflect the impact of the Internal Revenue Service ("IRS") Private Letter Ruling ("PLR") which provided guidance on the treatment of both the deficient deferred taxes related to Cost of Removal ("COR"), and the excess deferred taxes associated with accounting method changes related to repair deductions and capitalization of mixed service costs that are not subject to the tax normalization rules ("PLR Update"). As a result of the updated 2019 TAC schedules, including actuals through June 30, 2019 and the PLR Update, the total impact of adjusting the TACs resulted in an overall refund.

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<sup>3</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Revised Rates (Effective on an Interim Basis April 1, 2018) to Reflect the Reduction Under the Tax Cut and Jobs Act of 2017, BPU Docket No. ER18030231, Order dated March 26, 2018 ("March 2018 Order").

<sup>4</sup> In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service, B.P.U.N.J. No. 16 Electric and B.P.U.N.J. No. 16 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief, BPU Docket Nos. ER18010029 and GR18010030, Order dated October 29, 2018 ("2018 Base Rate Case Order").

<sup>5</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2019 TAC Filing"), BPU Docket No. ER19091302 and GR19091303, Order dated January 22, 2020.

<sup>6</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2019 TAC Filing"), BPU Docket No. ER19091302 and GR19091303, Order dated July 15, 2020 ("July 2020 Order").

By Order dated August 18, 2021, the Board approved a revision of the Company's ETAC and GTAC rates, effective on and after September 1, 2021.<sup>7</sup> By Order dated June 8, 2022, the Board approved the current ETAC and GTAC rates, effective on and after June 15, 2022.<sup>8</sup>

### **October 2022 TAC Petition**

In the October 2022 TAC Petition, the Company proposed to establish revised rates for 2023, based upon actual information through June 30, 2022 and forecasted information through December 31, 2023.

For the ETAC, the proposed refund was approximately \$108.8 million, which, when added to PSE&Gs estimated under-collected balance with interest at December 31, 2022 of \$13.4, would result in a total refund to customers of approximately \$95.4 million. Based upon the October 2022 Petition, this resulted in a decrease in the credit to electric customers of \$16.5 million when compared to the current ETAC rates on an annualized basis. For the GTAC, the proposed refund was approximately \$188.4 million, which, when added to PSE&Gs estimated under-collected balance with interest at December 31, 2022 of \$21.4 million, would result in a total refund to customers of approximately \$167 million. Based upon the October 2022 Petition, this resulted in an increase in the credit to gas customers of approximately \$69.5 million when compared to the current GTAC rates on an annualized basis.

Through the course of the proceeding, PSE&G updated its revenue requirements to incorporate actual results through December 31, 2022, and forecasts amounts from January 1, 2023 through December 31, 2023 ("March 2023 Update"). As a result of the March 2023 Update, the proposed refund was approximately \$109.7 million, which, when added to PSE&Gs under-collected balance with interest at December 31, 2022 of \$14.9 million, would result in a total refund to customers of approximately \$94.8 million. This represents a decrease in a credit to electric customers of \$17.0 million when compared to the current ETAC on an annualized basis. For the GTAC, the proposed refund was approximately \$174.6 million, which, when added the PSE&Gs under-collected balance with interest at December 31, 2022 of \$36.3 million, would result in a total refund to customers of approximately \$138.3 million. This represents an increase in a credit to gas customers of approximate \$41.5 million when compared to the current GTAC on an annualized basis.

Following publication of notice in newspapers of general circulation within PSE&G's service territory and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) telephonic public hearings were held at 4:30 p.m. and 5:30 p.m. on January 5, 2023.<sup>9</sup> No members of the public attended or filed written comments with the Board.

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<sup>7</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2020 TAC Filing"), BPU Docket No. ER20100685 and GR20100686, Order dated August 18, 2021.

<sup>8</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2021 TAC Filing"), BPU Docket No. ER21101201 and GR21101202, Order dated June 8, 2022.

<sup>9</sup> Due to the COVID-19 pandemic, hearings were held virtually.

## **STIPULATION**

Following a review of the October 2022 TAC Petition, updates thereto, and discovery responses, the Parties executed the Stipulation, which provides:<sup>10</sup>

1. The electric tariff rates proposed in the Company's October 2022 TAC Petition, as reflected in Attachment 1 of the Stipulation, including the proposed tariff rate TAC-RS of (\$0.005598) per kWh [including Sales and Use Tax ("SUT")] will be effective upon Board approval.
2. The gas tariff rates, as proposed in the Company's October 2022 TAC Petition and as updated in the Update, as reflected in Attachment 1 of the Stipulation, including the TAC-RSG rate of (0.069043) per therm (including SUT), will be effective upon Board approval.
3. The bill impacts of the proposed rates on typical residential electric customers are as set forth in Attachment 2 of the Stipulation, page 1 of 2. A typical residential electric customer using 740 kWh in a summer month, and 6,920 kWh annually, would experience an increase in the annual bill from \$1,342.48 to \$1,349.20, or \$6.72 or approximately 0.50% (based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in effect May 1, 2023, assuming the customer receives BGS-RSCP service from PSE&G).
4. The bill impacts of the proposed rates on typical residential gas customers are as set forth in Attachment 2 of the Stipulation, page 2 of 2. A typical residential gas heating customer using 172 therms in a winter month, and 1,040 therms annually, would experience a decrease in their annual bill from \$1,173.24 to \$1,151.58, or \$21.66 or approximately 1.85% (based upon current Delivery Rates and Basic Gas Supply Service [BGSS RSG] charges in effect May 1, 2023, assuming the customer receives BGSS-RSG service from PSE&G).
5. The Company will submit its next TAC annual cost recovery filing no later than October 31, 2023 based upon actual results through June 30, 2023, and a forecast through December 31, 2024, in accordance with the terms of the 2018 Base Rate Case settlement. Subsequently, the change in the ETAC and GTAC balances from the update for actual results through December 31, 2023 will be incorporated into the 2023 TAC filing.

## **DISCUSSION AND FINDINGS**

Having carefully reviewed the record in this matter, including the October 2022 TAC Petition, the March 2023 Update, and the Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY APPROVES** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein.

Accordingly, the Board **HEREBY APPROVES** the ETAC and GTAC rates as set forth in the Stipulation. These changes shall become effective as of August 1, 2023.

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<sup>10</sup> Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

As a result of the Stipulation, the annual impact on the typical residential electric customer using 740 kWh in a summer month and 6,920 kWh would be an increase of \$6.72 or approximately 0.50%. The annual impact on the typical residential gas heating customer using 172 therms in a winter month and 1,040 therms annually would be a decrease of \$21.66 or approximately 1.85%.

The Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation by June 30, 2023.

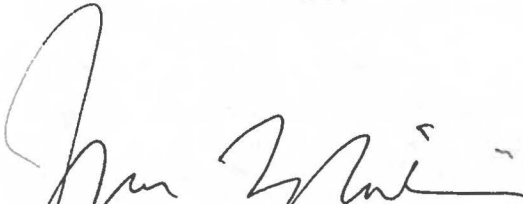
The Company's costs, including those related to the TACs, will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

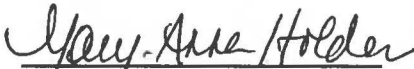
This Order shall be effective July 19, 2023.

DATED: July 12, 2023


BOARD OF PUBLIC UTILITIES

BY:

  
JOSEPH L. FIORDALISO  
PRESIDENT

  
MARY-ANNA HOLDEN  
COMMISSIONER

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
CHRISTINE GUHL-SADOVY  
COMMISSIONER

ATTEST:

  
SHERRI L. GOLDEN  
SECRETARY

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

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF  
CHANGES IN ITS ELECTRIC TAX ADJUSTMENT CREDIT AND GAS TAX ADJUSTMENT CREDIT ("2022 TAC  
FILING")

BPU DOCKET NOS. ER22100667 and GR22100668

SERVICE LIST

**PSE&G**

80 Park Plaza, T5  
Post Office Box 570  
Newark, NJ 07102

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

Danielle Lopez, Esq.  
[danielle.lopez@pseg.com](mailto:danielle.lopez@pseg.com)

Aaron Karp, Esq.  
[Aaron.karp@pseg.com](mailto:Aaron.karp@pseg.com)

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

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

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

**Division of Rate Counsel**

140 E. Front Street  
Post Office Box 003  
Trenton, NJ 08625-0003

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

Bethany Rocque-Romaine, Esq.  
[bromaine@rpa.nj.gov](mailto:bromaine@rpa.nj.gov)

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

Karen Forbes  
[kforbes@rpa.nj.gov](mailto:kforbes@rpa.nj.gov)

**Rate Counsel Consultant**

Dante Mugrace, Senior Consultant  
PCMG and Associates, LLC  
90 Moonlight Court  
Toms River, NJ 08753  
[dmugrace@pcmgregcon.com](mailto:dmugrace@pcmgregcon.com)

**Board of Public Utilities**

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

Sherri L. Golden, Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Bob Brabston, Esq., Executive Director  
[robert.brabston@bpu.nj.gov](mailto:robert.brabston@bpu.nj.gov)

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

**Counsel's Office**

Michael Beck, General Counsel  
[michael.beck@bpu.nj.gov](mailto:michael.beck@bpu.nj.gov)

Carol Artale, Deputy General Counsel  
[carol.artale@bpu.nj.gov](mailto:carol.artale@bpu.nj.gov)

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

**Division of Water & Energy**

Michael Kammer, Director  
[mike.kammer@bpu.nj.gov](mailto:mike.kammer@bpu.nj.gov)

Malike Cummings, Deputy Director  
[malike.cummings@bpu.nj.gov](mailto:malike.cummings@bpu.nj.gov)

Bart Kilar  
[bart.kilar@bpu.nj.gov](mailto:bart.kilar@bpu.nj.gov)

Anthony DeAnni  
[Anthony.DeAnni@bpu.nj.gov](mailto:Anthony.DeAnni@bpu.nj.gov)

**Division of Law**

25 Market Street  
Post Office Box 112  
Trenton, NJ 08625-0112

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

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

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

Terel Klein, DAG  
[terel.klein@law.njoag.gov](mailto:terel.klein@law.njoag.gov)





June 7, 2023

In The Matter of the Petition of  
Public Service Electric and Gas Company  
for Approval of Changes in its Electric Tax Adjustment  
Credit and Gas Tax Adjustment Credit  
“2022 TAC Filing”

Docket Nos. ER22100667 and GR22100668

**VIA ELECTRONIC MAIL**

Sherri Golden, Secretary  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, New Jersey 08625-0350

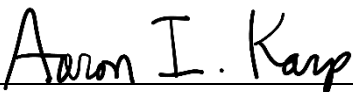
Dear Secretary Golden:

Attached is the fully executed Stipulation in the above-reference matter resolving all aspects of this matter. All the parties have signed the Stipulation: Public Service Electric and Gas Company, the Staff of the New Jersey Board of Public Utilities, and the New Jersey Division of Rate Counsel.

Consistent with the Order issued by the New Jersey Board of Public Utilities (“BPU or Board”) 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, Order 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,

  
\_\_\_\_\_  
Aaron I. Karp

C Attached Service List (E-Mail)

**BPU**

Robert Brabston  
Board of Public Utilities  
44 South Clinton Avenue  
9th Floor  
P.O. Box 350  
Trenton NJ 08625  
robert.brabston@bpu.nj.gov

**BPU**

Son Lin Lai  
Board of Public Utilities  
44 South Clinton Avenue  
9th Floor  
P.O. Box 350  
Trenton NJ 08625-0350  
(609) 292-2098  
son-lin.lai@bpu.nj.gov

**BPU**

Heather Weisband  
Board of Public Utilities  
44 South Clinton Avenue  
3rd Floor, Suite 314  
P.O. Box 350  
Trenton NJ 08625-0350  
Heather.Weisband@bpu.nj.gov

**DAG**

Pamela Owen  
NJ Dept of Law & Public Safety  
Division of Law, Public Utilities Section  
R.J. Hughes Justice Complex  
25 Market Street, P.O. Box 112  
Trenton NJ 08625  
Pamela.Owen@law.njoag.gov

**PSE&G**

Bernard Smalls  
PSEG Services Corporation  
80 Park Plaza-T10  
Newark NJ 07102-4194  
(973) 430-5930  
bernard.smalls@pseg.com

**Rate Counsel**

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

**BPU**

Robert Glover  
Board of Public Utilities  
44 South Clinton Avenue  
3rd Floor, Suite 314  
P.O. Box 350  
Trenton NJ 08625-0350  
robert.glover@bpu.nj.gov

**BPU**

Paul Lupo  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton NJ 08625-0350  
paul.lupo@bpu.nj.gov

**BPU**

Michael Beck  
Board of Public Utilities  
44 South Clinton Avenue  
3rd Floor, Suite 314  
P.O. Box 350  
Trenton NJ 08625-0350  
michael.beck@bpu.nj.gov

**PSE&G**

Michele Falcao  
PSEG Services Corporation  
80 Park Plaza, T10  
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-T10  
Newark NJ 07102-4194  
(973) 430-7052  
matthew.weissman@pseg.com

**Rate Counsel**

Christine M. Juarez  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
cjuarez@rpa.state.nj.us

**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**

Jacqueline O'Grady  
Board of Public Utilities  
44 South Clinton Avenue  
9th Floor  
P.O. Box 350  
Trenton NJ 08625-0350  
(609) 292-2947  
jackie.ogrady@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**

Aaron I. Karp Esq.  
PSEG Services Corporation  
80 Park Plaza T10  
P.O. Box 570  
Newark NJ 07102  
(973)-430-8970  
aaron.karp@pseg.com

**PSE&G**

Caitlyn White  
PSEG Services Corporation  
80 Park Plaza, T-10  
P.O. Box 570  
Newark NJ 07102  
(973)-430-5659  
caitlyn.white@pseg.com

**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  
b lipman@rpa.nj.gov

**Rate Counsel**

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

**Rate Counsel**

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

**Rate Counsel**

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

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

IN THE MATTER OF THE PETITION OF PUBLIC	)	STIPULATION FOR
SERVICE ELECTRIC AND GAS COMPANY FOR	)	TAC RATES
APPROVAL OF CHANGES IN ITS ELECTRIC TAX	)	
ADJUSTMENT CREDIT AND GAS TAX	)	BPU DOCKET NOS.
ADJUSTMENT CREDIT (“2022 TAC FILING”)	)	ER22100667 & GR22100668

**STIPULATION AND AGREEMENT**

**APPEARANCES:**

**Aaron I. Karp, Esq.**, Associate Counsel - Regulatory, for the Petitioner, Public Service Electric and Gas Company.

**Bethany Rocque-Romaine, Esq.**, Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director).

**Matko Ilic**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of New Jersey).

**BACKGROUND**

On October 31, 2022, Public Service Electric and Gas Company (“Public Service”, “PSE&G”, or “Company”) filed a petition and supporting documentation with the New Jersey Board of Public Utilities (“Board”) requesting a reset of the Company’s Electric Tax Adjustment Credit (“ETAC”) and Gas Tax Adjustment Credit (“GTAC”) (collectively, “TACs”) (“2022 TAC Petition”). The 2022 TAC Petition was filed pursuant to the Board’s October 29, 2018 Order approving the Stipulation of Settlement in PSE&G’s 2018 Base Rate Case.<sup>1</sup> Among other things, the Rate Case Order included the terms and operation of the TACs applicable to electric and gas rates pursuant to the Tax Cuts and Jobs Act of 2017 (“2017 Tax Act”). Additionally, the Company was

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<sup>1</sup> I/M/O The Petition of Public Service Electric and Gas Company for the Approval of an Increase in Electric and Gas Rates and for Changes in Tariffs for Electric and Gas Service, B.P.U.N.J. NO. 16 Electric and B.P.U.N.J. NO. 16 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A 48:2-21, and N.J.S. 48:2-21.1, and for Other Appropriate Relief, BPU Docket Nos. ER18010029 and GR18010030, October 29, 2018 (“Rate Case Order”).

directed to flow back to customers unprotected excess deferred tax savings over the course of five (5) years by way of the TACs. The TAC amounts are allocated to each rate class and then refunded to customers on a dollar per kilowatt-hour (“kWh”) or therm basis for each rate schedule.

The initial TACs were implemented on November 1, 2018, along with the stipulated revenue requirement increase, upon approval of the stipulation in the 2018 Base Rate Case. The excess income tax recovered for the first quarter of 2018, due to the tax rate change mandated by the 2017 Tax Act, was refunded to customers over the two (2) month period of November and December 2018, with interest. The TACs were then reset in January 2019. Pursuant to the Rate Case Order, the Company was directed to file all future annual TAC recovery filings on an annual schedule.

On October 29, 2021, PSE&G filed a petition with the Board seeking approval for electric and gas rate changes associated with the 2021 TACs to establish new rates for 2022. By Order, the Board approved a stipulation for final rates entered into by PSE&G, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”), ordering those rates to become effective as of June 15, 2022.<sup>2</sup>

### **2022 TAC Petition**

On October 31, 2022, the Company filed the 2022 TAC Petition proposing modifications to the TAC rates effective January 1, 2023 based upon actual results through June 30, 2022 and a forecast through December 31, 2023.

For the ETAC, the Company proposed a refund from January 1, 2023 through December 31, 2023 of approximately \$108.8 million, which, when added to the Company’s estimated under-collected balance with interest at December 31, 2022 of \$13.4 million, would result in a total

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<sup>2</sup> I/M/O the Petition of Public Service Electric and Gas Company for the Approval of Changes in Its Electric Tax Adjustment Credit and Gas Tax Adjustment Credit (“2021 TAC Filings”), BPU Docket Nos. ER21101201 & GR21101202, June 8, 2022.

refund to customers of approximately \$95.4 million. Based upon the 2022 TAC Petition, this represents an approximate \$16.5 million increase compared with current ETAC rates on an annualized basis.

For the GTAC, the Company estimated a refund from January 1, 2023 through December 31, 2023 of approximately \$188.4 million, which, when added to the Company's estimated under-collected balance with interest at December 31, 2022 of \$21.4 million, would result in a total refund to customers of approximately \$167.0 million. Based upon the 2022 TAC Petition, this represents an approximate \$69.5 million decrease compared with current GTAC rates on an annualized basis.

Notice of the Company's 2022 TAC Petition, including the date, time, telephonic dial-in details, and virtual access details for the public hearings, was placed in newspapers having a circulation within the Company's electric and gas service territories, and served on the Clerks of the municipalities, the Clerks of the Board of County Commissioners, and the County Executives within the Company's electric and gas service territories. The two (2) virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on January 5, 2023.<sup>3</sup> No members of the public provided comments during the public hearings, nor filed written comments with the Board.

Subsequently, the Company updated the 2022 TAC Petition revenue requirements to incorporate actual results through December 31, 2022 ("Update").<sup>4</sup> For the ETAC, the Update resulted in a refund from January 1, 2023 through December 31, 2023 of approximately \$109.7 million, which, when added to the Company's estimated under-collected balance with interest at December 31, 2022 of \$14.9 million, would result in a total refund to customers of approximately \$94.8 million. This represents an approximate \$17.0 million increase compared

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<sup>3</sup> The public hearings were conducted virtually.

<sup>4</sup> See the Company's response to RCR-0006-Update, submitted March 30, 2023.

with current ETAC rates on an annualized basis and an increase from the amount noticed of approximately \$0.5 million.

For the GTAC, the Update resulted in a refund from January 1, 2023 through December 31, 2023 of approximately \$174.6 million, which, when added to the Company's estimated under-collected balance with interest at December 31, 2022 of \$36.3 million, would result in a total refund to customers of approximately \$138.3 million. This represents an approximate \$41.5 million decrease compared with current GTAC rates on an annualized basis and decrease in the refund (less of a credit) from the amount noticed of approximately \$28.0 million.

The Parties completed their review of the 2022 TAC Petition and responses to discovery, and HEREBY STIPULATE AND AGREE as follows:

1. The electric tariff rates proposed in the Company's October 31, 2022 filing, as reflected in Attachment 1, including the proposed tariff rate TAC-RS of (\$0.005598) per kWh (including Sales and Use Tax ("SUT")) will be effective upon Board approval.
2. The gas tariff rates, as proposed in the Company's October 31, 2022 filing and as updated in the Update, as reflected in Attachment 1, including the TAC-RSG rate of (0.069043) per therm (including SUT), will be effective upon Board approval.
3. The bill impacts of the proposed rates on typical residential electric customers are as set forth in Attachment 2, page 1 of 2. A typical residential electric customer using 740 kWh in a summer month, and 6,920 kWh annually, would experience an increase in the annual bill from \$1,342.48 to \$1,349.20, or \$6.72 or approximately 0.50% (based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in effect May 1, 2023, assuming the customer receives BGS-RSCP service from PSE&G).

4. The bill impacts of the proposed rates on typical residential gas customers are as set forth in Attachment 2, page 2 of 2. A typical residential gas heating customer using 172 therms in a winter month, and 1,040 therms annually, would experience a decrease in their annual bill from \$1,173.24 to \$1,151.58, or \$21.66 or approximately 1.85% (based upon current Delivery Rates and Basic Gas Supply Service [BGSS RSG] charges in effect May 1, 2023, assuming the customer receives BGSS-RSG service from PSE&G).
5. The Company will submit its next TAC annual cost recovery filing no later than October 31, 2023 based upon actual results through June 30, 2023, and a forecast through December 31, 2024, in accordance with the terms of the 2018 Base Rate Case settlement. Subsequently, the change in the ETAC and GTAC balances from the update for actual results through December 31, 2023 will be incorporated into the 2023 TAC filing.
6. 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.
7. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), then 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.
8. The Stipulation is binding for all purposes herein.
9. 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, 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.

10. Further, this Stipulation is in no way binding upon the Parties in any other proceeding, except to enforce the terms of this Stipulation.
11. A Board order approving this Final Stipulation shall 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: Aaron I. Karp  
Aaron I. Karp, Esq.  
Associate Counsel - Regulatory

DATED: June 5, 2023

**MATTHEW J. PLATKIN  
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: June 7, 2023

**BRIAN O. LIPMAN, DIRECTOR OF  
NEW JERSEY DIVISION OF RATE COUNSEL**

BY: Bethany Rocque-Romaine  
Bethany Rocque-Romaine, Esq.  
Assistant Deputy Rate Counsel

DATED: June 7, 2023

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC

XXX Revised Sheet No. 69

Superseding

XXX Revised Sheet No. 69

TAX ADJUSTMENT CREDIT

<u>Rate Schedule</u>	<u>Charge per kilowatt-hour</u>	<u>Charge per kilowatt-hour including SUT</u>
RS.....	(\$0.005250)	(\$0.005598)
	<del>(\$0.006156)</del>	<del>(\$0.006564)</del>
RHS.....	(\$0.006603)	(\$0.007040)
	<del>(\$0.008168)</del>	<del>(\$0.008709)</del>
RLM.....	(\$0.004760)	(\$0.005075)
	<del>(\$0.005757)</del>	<del>(\$0.006138)</del>
WH.....	(\$0.000000)	(\$0.000000)
WHS.....	(\$0.000000)	(\$0.000000)
HS.....	(\$0.003743)	(\$0.003991)
	<del>(\$0.003854)</del>	<del>(\$0.004109)</del>
GLP.....	(\$0.001622)	(\$0.001729)
	<del>(\$0.001852)</del>	<del>(\$0.001975)</del>
LPL - Secondary.....	(\$0.000929)	(\$0.000991)
	<del>(\$0.001131)</del>	<del>(\$0.001206)</del>
LPL - Primary.....	(\$0.000600)	(\$0.000640)
	<del>(\$0.000693)</del>	<del>(\$0.000739)</del>
HTS - Subtransmission.....	(\$0.000563)	(\$0.000600)
	<del>(\$0.000650)</del>	<del>(\$0.000693)</del>
HTS – High Voltage & HTS - Transmission.....	(\$0.000224)	(\$0.000239)
	<del>(\$0.000152)</del>	<del>(\$0.000162)</del>
BPL.....	(\$0.000000)	(\$0.000000)
BPL-POF.....	(\$0.001418)	(\$0.001512)
	<del>(\$0.001556)</del>	<del>(\$0.001659)</del>
PSAL.....	(\$0.000000)	(\$0.000000)

**Tax Adjustment Credit**

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017, and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP – Finance, Planning & Strategy – PSE&G  
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**XXX Revised Sheet No. 69**

**Superseding**

**XXX Revised Sheet No. 69**

**TAX ADJUSTMENT CREDIT**

<u>Rate Schedule</u>	<u>Charge per kilowatt-hour</u>	<u>Charge per kilowatt-hour including SUT</u>
RS.....	(\$0.005250)	(\$0.005598)
RHS.....	(\$0.006603)	(\$0.007040)
RLM.....	(\$0.004760)	(\$0.005075)
WH.....	(\$0.000000)	(\$0.000000)
WHS.....	(\$0.000000)	(\$0.000000)
HS.....	(\$0.003743)	(\$0.003991)
GLP.....	(\$0.001622)	(\$0.001729)
LPL - Secondary.....	(\$0.000929)	(\$0.000991)
LPL - Primary.....	(\$0.000600)	(\$0.000640)
HTS - Subtransmission.....	(\$0.000563)	(\$0.000600)
HTS – High Voltage & HTS - Transmission.....	(\$0.000224)	(\$0.000239)
BPL.....	(\$0.000000)	(\$0.000000)
BPL-POF.....	(\$0.001418)	(\$0.001512)
PSAL.....	(\$0.000000)	(\$0.000000)

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**XXX Revised Sheet No. 51  
Superseding  
XXX Revised Sheet No. 51**

**TAX ADJUSTMENT CREDIT**

<u>Rate Schedule</u>	<u>Charge per Therm</u>	<u>Charge per Therm Including SUT</u>
RSG.....	<del>(\$0.064753)</del>	<del>(\$0.069043)</del>
	<del>(\$0.045216)</del>	<del>(\$0.048212)</del>
GSG.....	<del>(\$0.054983)</del>	<del>(\$0.058626)</del>
	<del>(\$0.039158)</del>	<del>(\$0.041752)</del>
LVG.....	<del>(\$0.025916)</del>	<del>(\$0.027633)</del>
	<del>(\$0.018161)</del>	<del>(\$0.019364)</del>
SLG.....	<del>(\$0.094749)</del>	<del>(\$0.101026)</del>
	<del>(\$0.075809)</del>	<del>(\$0.080831)</del>
TSG-F.....	<del>(\$0.022261)</del>	<del>(\$0.023736)</del>
	<del>(\$0.015352)</del>	<del>(\$0.016369)</del>
TSG-NF.....	<del>(\$0.011569)</del>	<del>(\$0.012335)</del>
	<del>(\$0.006883)</del>	<del>(\$0.007339)</del>
CIG.....	<del>(\$0.017044)</del>	<del>(\$0.018173)</del>
	<del>(\$0.012602)</del>	<del>(\$0.013437)</del>
CSG.....	<del>(\$0.001181)</del>	<del>(\$0.001259)</del>
	<del>(\$0.001000)</del>	<del>(\$0.001066)</del>

**Tax Adjustment Credit**

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017, and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

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80 Park Plaza, Newark, New Jersey 07102

Effective:

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**XXX Revised Sheet No. 51  
Superseding  
XXX Revised Sheet No. 51**

**TAX ADJUSTMENT CREDIT**

<u>Rate Schedule</u>	<u>Charge per Therm</u>	<u>Charge per Therm Including SUT</u>
RSG.....	(\$0.064753)	(\$0.069043)
GSG.....	(\$0.054983)	(\$0.058626)
LVG.....	(\$0.025916)	(\$0.027633)
SLG.....	(\$0.094749)	(\$0.101026)
TSG-F.....	(\$0.022261)	(\$0.023736)
TSG-NF.....	(\$0.011569)	(\$0.012335)
CIG.....	(\$0.017044)	(\$0.018173)
CSG.....	(\$0.001181)	(\$0.001259)

**Tax Adjustment Credit**

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017, and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

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Effective:

## TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed changes in the Tax Adjustment Credit (TAC) on typical residential Electric bills, if approved by the Board, is illustrated below:

<b>Residential Electric Service</b>					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr 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:
185	1,732	\$378.60	\$380.24	\$1.64	0.43 %
370	3,464	697.84	701.20	3.36	0.48
740	6,920	1,342.48	1,349.20	6.72	0.50
803	7,800	1,507.04	1,514.56	7.52	0.50
1,337	12,500	2,403.76	2,415.92	12.16	0.51

(1) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect May 1, 2023, and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes increase in the TAC.

<b>Residential Electric Service</b>					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,732	185	\$39.95	\$40.12	\$0.17	0.43 %
3,464	370	74.96	75.32	0.36	0.48
6,920	740	146.92	147.64	0.72	0.49
7,800	803	159.70	160.47	0.77	0.48
12,500	1,337	268.12	269.42	1.30	0.48

(3) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect May 1, 2023, and assumes that the customer receives BGS-RSCP service from Public Service.

(4) Same as (3) except includes increase in the TAC.

## TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the Tax Adjustment Credit (TAC) on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service					
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	\$275.44	\$271.92	(\$3.52)	(1.28) %
50	340	447.68	440.56	(7.12)	(1.59)
100	610	730.98	718.30	(12.68)	(1.73)
159	1,000	1,137.84	1,117.03	(20.81)	(1.83)
172	1,040	1,173.24	1,151.58	(21.66)	(1.85)
200	1,210	1,347.74	1,322.52	(25.22)	(1.87)
300	1,816	1,970.92	1,933.10	(37.82)	(1.92)

(1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect May 1, 2023, and assumes that the customer receives commodity service from Public Service.

(2) Same as (1) except includes increase in the TAC.

Residential Gas Service					
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	\$34.46	\$33.94	(\$0.52)	(1.51) %
340	50	60.32	59.28	(1.04)	(1.72)
610	100	113.15	111.07	(2.08)	(1.84)
1,000	159	174.68	171.38	(3.30)	(1.89)
1,040	172	188.42	184.83	(3.59)	(1.91)
1,210	200	217.66	213.49	(4.17)	(1.92)
1,816	300	322.17	315.92	(6.25)	(1.94)

(3) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect May 1, 2023, and assumes that the customer receives commodity service from Public Service.

(4) Same as (3) except includes increase in the TAC.