



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor Suite 314
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Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF PUBLIC SERVICE ELECTRIC)
AND GAS COMPANY'S 2015/2016 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. GR15060647
) OAL DOCKET NO. PUC 14767-2015N

Parties of Record:

Alexander C. Stern, Esq., Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND

Per the generic Order of the Board of Public Utilities ("Board") dated January 6, 2003, in Docket No. GX01050304 ("January BGSS Order"), each of New Jersey's four gas distribution companies ("GDCs") submits to the Board its annual Basic Gas Supply Service ("BGSS") gas cost filing by June 1, for the BGSS year beginning October 1. In addition, the January BGSS Order authorizes each GDC to self-implement up to a 5% BGSS increase effective December 1 and February 1, with one month's advance notice to the Board and the Division of Rate Counsel ("Rate Counsel"). Each GDC may implement a decrease in its BGSS rates at any time, without prior Board approval after notice to the Board and Rate Counsel.

Public Service Electric and Gas Company ("the Company") filed a petition with the Board on June 1, 2015 ("June Petition") requesting a decrease to its BGSS default commodity rate for Residential Service ("RSG") from \$0.451880 per therm (including losses and Sales and Use Tax ("SUT")) to \$0.401235 per therm and a decrease in its Balancing Charge from \$0.095957 per therm (including losses and SUT) to a charge of \$0.093827 per therm,¹ based on the

¹ All quoted rates include SUT.

Company's projection of a \$65.0 million decrease in BGSS revenues needed to recover its costs for BGSS service during the 2015-2016 BGSS year.

After publication of notice in newspapers of general circulation in PSE&G's service territory, public hearings were scheduled and conducted in Hackensack, New Brunswick, and Westampton, on August 18, 19, and 20, 2015, respectively. Four (4) members of the public expressed general concerns about high utility rates and opposition to shutting off service for lack of payment. No member of the public commented directly on this filing.

Subsequent to filing the June Petition, the Company made a compliance filing on August 26, 2015 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. ER15030389 and GR15030390. As a result of the settlement of the Energy Strong Matter, the Company's BGSS-RSG Commodity Charge was reduced from \$0.451880 per therm to \$0.451788 per therm effective September 1, 2015.²

The Company, Rate Counsel and Board Staff (collectively, the "Parties") determined that additional time was needed to complete a review of the Company's filing, and that until that review was completed the current BGSS-RSG rate of \$0.451788 per therm should be decreased to \$0.401235 per therm and the Balancing Charge of \$0.095957 per therm should be decreased to \$0.093827 per therm on a provisional basis. The stipulation providing for the provisional rates were approved by the Board in its Order dated September 11, 2015.

On September 17, 2015, the Board transmitted the matter to the Office of Administrative Law ("OAL") as a contested case where it was subsequently assigned to the Honorable Diana Sukovich, Administrative Law Judge ("ALJ").

On November 23, 2015, the Company notified the Board that it would be providing a three (3) month bill credit of \$0.25 per therm for its BGSS-RSG customers to be effective December 1, 2015 through February 29, 2016.

STIPULATION FOR FINAL BGSS-RSG COMMODITY CHARGE RATES³

Subsequent to discovery and substantive discussions of the issues, on December 29, 2015 the Parties executed a Stipulation for Final BGSS-RSG rates ("Stipulation") that provides for the following:

The Parties agree that the Company's current BGSS-RSG commodity rate, of \$0.401235 per therm and the Company's Balancing Charge of \$0.093827 per therm for the winter months of November 1 to March 31 will remain in effect and be deemed final upon the effective date of the

² 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 \$0.06.

³ 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.

Board's written Order approving this Stipulation or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

Attached to the Stipulation as "Exhibit C" is the Company's Revised Tariff Sheet No. 54 reflecting the Board's September 11, 2015 provisional approval of the BGSS-RSG Commodity Charge and Balancing Charge as well as the \$0.25 per therm bill credit in effect from December 1, 2015 through February 29, 2016.

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. "Exhibit A" is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. "Exhibit B" is to be submitted to the Parties on approximately the 15th of the following month.

Beginning with the 2016-2017 BGSS period, the Company agrees to 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 will include 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 Board's Staff and Rate Counsel as part of the Company's future BGSS proceedings.

On February 18, 2016, ALJ Diana 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 Stipulation and the Initial Decision, and being persuaded that the Parties have thoroughly reviewed the BGSS costs for the period at issue, the Board **HEREBY FINDS** that the attached Initial Decision and Stipulation are 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 if they were fully set forth at length herein.

The Board **HEREBY ORDERS** that the existing after-tax per therm BGSS-RSG commodity rate of \$0.401235 per therm and the Balancing Charge of \$0.093827 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 APPROVES** the tariff sheet attached to the Stipulation as conforming to the terms and conditions of this Order.

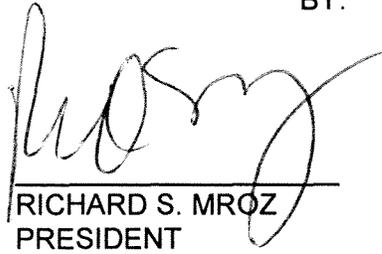
The Company's gas costs will remain subject to audit by the Board.

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 March 5, 2016.

DATED: 2-24-16

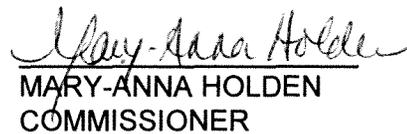
BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



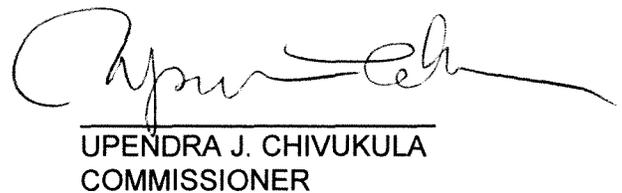
JOSEPH L. FIORDALISO
COMMISSIONER



MARY-ANNA HOLDEN
COMMISSIONER

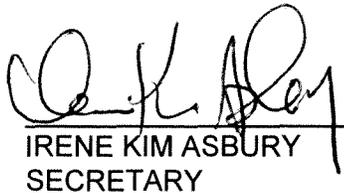


DIANNE SOLOMON
COMMISSIONER



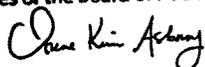
UPENDRA J. CHIVUKULA
COMMISSIONER

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
2015/2016 ANNUAL BGSS COMMODITY CHARGE FILING FOR ITS
RESIDENTIAL GAS CUSTOMERS UNDER ITS PERIODIC PRICING MECHANISM AND FOR
CHANGES IN ITS BALANCING CHARGE
DOCKET NO. GR15060647

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL Dkt. No. PUC 14767-15

AGENCY DKT. NO. GR 15060647

**IN THE MATTER OF THE PETITION OF PUBLIC SERVICE
ELECTRIC AND GAS COMPANY'S 2015/2016 ANNUAL
BGSS COMMODITY CHARGE FILING FOR ITS RESIDENTIAL
GAS CUSTOMERS UNDER ITS PERIODIC PRICING MECHANISM
AND FOR CHANGES IN ITS BALANCING CHARGE**

Alexander C. Stern, Associate General Regulatory Counsel, for petitioner Public Service Electric and Gas Company

Sarah H. Steindel, Assistant Deputy Rate Counsels for intervener the Division of Rate Counsel (Stephanie A. Brand, Director, attorney)

Patricia A. Krogman, Deputy Attorney General, for the Staff of the Board of Public Utilities (John J. Hoffman, Acting Attorney General, attorney)

Record Closed: February 16, 2015

Decided: February 18, 2016

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

PROCEDURAL HISTORY

On June 1, 2015, Public Service Electric and Gas Company (petitioner) filed a petition with the Board of Public Utilities (BPU) to implement changes in its Annual Basic Gas Supply Service (BGSS), BGSS Commodity Charge to Residential Service Customers (Commodity Charge), and Balancing Charge, to be effective October 1, 2015. Public hearings were held in Hackensack, New Brunswick, and Westampton, New Jersey, on August 18, 19, and 20, 2015, respectively. Subsequent to other proceedings regarding the matter, the BPU transmitted the matter to the Office of Administrative Law on September 21, 2015, for determination as a contested case pursuant to N.J.S.A. 52:14F-1 to -13.

Telephone conferences were conducted. The parties conferred throughout the proceedings and reached a resolution of the matter. An executed Stipulation (Stipulation), reflecting the agreement, was filed on February 16, 2016, on which date the record was closed. Attached herewith is a copy of the Stipulation and attachments thereto filed with the agreement.

NATURE OF THE CASE

Petitioner originally sought a decrease in annual BGSS revenues of approximately \$65,000,000, excluding losses and the New Jersey Sales and Use Tax (SUT), and, additionally, a slight decrease in the Balancing Charge. The BGSS Commodity Charge to Residential Service Customers (BGSS-RSG) would have been decreased from \$0.451880 per therm, including losses and the SUT, to \$0.40123 per therm, including losses and the SUT. Petitioner also requested a decrease in its Balancing Charge from \$0.095957 per therm, including losses and the SUT, to \$0.093827 per therm, including losses and the SUT.

On approximately August 26, 2015, petitioner made a Compliance Filing to the BPU, in response to a BPU order in a proceeding related to what is referenced as the "Energy Strong Program". As a result of a settlement in that matter, petitioner's BGSS-

RSG Commodity Charge was reduced from \$0.451880 per therm, including losses and the SUT, to \$0.451788 per therm, including losses and the SUT, effective September 1, 2015. Pursuant to another agreement by the parties, petitioner's BGSS charge was decreased from \$0.451788 per therm, including losses and the SUT, to \$0.401235 per therm, including losses and the SUT; and its Balancing Charge, from \$0.09557 per therm, including losses and the SUT, to \$0.093827 per therm, including losses and the SUT, effective October 1, 2015. Pertinent to another BPU order, on November 23, 2015, petitioner notified the BPU that it would be providing a bill credit of \$0.25 per therm, including the SUT, to BGSS-RSG customers, effective December 1, 2015 through February 29, 2016.

In the present matter, the parties agree that the pertinent current rates shall remain in effect. The parties also agree to certain reporting requirements and preparation of a Gas Supply Plan by petitioner, which shall include certain specified information, as set forth in the Stipulation. The pending question is whether the Stipulation should be approved. I am persuaded that it should be.

FINDINGS OF FACT

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 be and is 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.

February 18, 2016
DATE


DIANA C. SUKOVICH, ALJ t/a

Date Received at Agency: _____

Date Mailed to Parties: _____

DCS/kep

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February 11, 2016

Via Overnight Mail

In the Matter of Public Service Electric and Gas Company's
2015/2016 Annual BGSS Commodity Charge Filing
for its Residential Gas Customers
Under its Periodic Pricing Mechanism

BPU Docket No. GR15060647
OAL Docket No. PUC14767-2015N

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

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 "Alexander C. Stern".

Attach.

C Service List (Electronic)

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF PUBLIC SERVICE)	
ELECTRIC AND GAS COMPANY'S)	
2015/2016 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. GR15060647
IN ITS BALANCING CHARGE)	OAL DKT NO. PUC14767-2015N

APPEARANCES:

Alexander C. Stern, Esq., 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 and Patricia A. Krogman, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**John J. Hoffman**, Acting Attorney General of New Jersey)

On June 1, 2015, Public Service Electric and Gas Company (Public Service or the Company) made a filing in the above-referenced matter, requesting a decrease in Annual Basic Gas Supply Service ("BGSS") gas revenues of approximately \$65.0 million (excluding losses and New Jersey Sales and Use Tax, ("SUT")) to be implemented for service rendered on and after October 1, 2015 or earlier, should the Board deem it appropriate. Additionally, the Company also requested a slight decrease in its Balancing Charge. In the June 1st filing, the

Company requested to decrease the BGSS Commodity Charge to Residential Service Customers (“BGSS-RSG”) from \$0.451880 per therm (including losses and SUT) to \$0.401235 per therm (including losses and SUT). Additionally, the Company is also requesting a decrease in its Balancing Charge, which recovers the cost of providing storage and peaking services, from the current charge of \$0.095957 per therm (including losses and SUT) to a charge of \$0.093827 per therm (including losses and SUT).

As filed, the proposed changes would decrease the annual bill for a typical residential heating customer using 165 therms per winter month and 1,010 therms annually from \$920.37 to \$867.85, an annual decrease of \$52.52, or approximately 5.71% (based upon rates in effect on June 1, 2015 and assuming that the customer receives BGSS service from PSE&G). The proposed change as filed would lower the annual bill for a residential heating customer using 100 therms per month during the winter months and 610 therms annually from \$583.63 to \$551.97, an annual decrease of \$31.66, or approximately 5.42% (based upon rates in effect on June 1, 2015 and assuming that the customer receives BGSS service from PSE&G).

Notice setting forth the Company’s June 1, 2015 request for the BGSS Commodity Charge and Balancing Charge decreases, including the date, time and place of the public hearing, 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, New Brunswick and Westampton on August 18, 19, and 20, 2015, respectively. Four members of the public expressed general concerns about high utility rates and opposition to shutting off service for lack of payment. No members of the public appeared and commented specifically on this filing.

Subsequent to the June 1, 2015 Filing, the Company made a Compliance Filing on or about August 26, 2015 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. ER15030389 and GR15030390. As a result of the settlement of the Energy Strong Matter, the Company's BGSS-RSG Commodity Charge was reduced from \$0.451880 per therm (including losses and SUT) to \$0.451788 per therm (including losses and SUT) effective September 1, 2015. 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 \$0.06.

Public Service, Board Staff, and the Division of Rate Counsel ("Rate Counsel") (collectively, "the Parties") determined that additional time was needed to complete the review of the Company's proposed BGSS-RSG Commodity Charge and

Balancing Charge. However, the Parties also agreed that action with respect to the Company's BGSS-RSG Commodity Charge for the 2015-2016 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, 2015, 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 11, 2015 and the BGSS charge was decreased from \$0.451788 per therm including losses and SUT to \$0.401235 per therm including losses and SUT effective for service rendered on and after October 1, 2015. 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 \$0.095957 per therm (including losses and SUT) to a charge of \$0.093827 per therm (including losses and SUT).

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, on November 23, 2015 the Company notified the Board that it would be providing a bill credit of \$0.25 per therm (including New Jersey SUT) for its BGSS-RSG customers to be effective December 1, 2015 through February 29, 2016.

On September 17, 2015 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 November 30, 2015. The Parties represented that review and settlement discussions were ongoing. A telephone status conference with ALJ Sukovich was held on January 19, 2016. Following the January 19, 2016 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 \$0.401235 per therm (including losses and SUT) will remain in effect at this time. The Company’s Balancing charge of \$0.093827 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 upon the effective date of the Board’s written Order approving this Settlement or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

3. 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 \$86.42 (based upon rates in effect on February 1, 2016 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 \$869.53 (based upon rates in effect on February 1, 2016 and assuming that the customer receives BGSS service from PSE&G not including any BGSS-RSG bill credits).

4. Attached as Exhibit C to this Stipulation are the Company's tariff sheets which reflect the Board's September 11, 2015 provisional approval of the BGSS-RSG Commodity Charge and Balancing Charge effective October 1, 2015 as well as the \$0.25 per therm bill credit in effect from December 1, 2015 through February 29, 2016.

5. 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.

6. Beginning with the 2016-2017 BGSS period, the Company agrees to 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 will include 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.

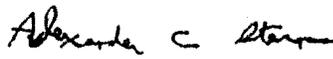
7. The undersigned agree that this Stipulation for a Final BGSS Rates contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, this Stipulation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

8. 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.

9. 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

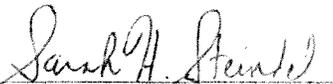
other proceeding, except to enforce the terms of this Stipulation for Final BGSS-RSG
Commodity Charge and Balancing Charge.

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

BY: 
Alexander C. Stern, Esq.
Associate General Regulatory Counsel

DATED: 02/09/2016

STEFANIE A. BRAND
DIRECTOR,
DIVISION OF RATE COUNSEL

BY: 
Sarah H. Steindel
Assistant Deputy Rate Counsel

DATED: 2/10/2016

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

BY: 
Patricia A. Krogman
Deputy Attorney General

DATED: 2/10/16

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

<u>Month</u>	^a <u>BGSS</u>	^b <u>NYMEX</u>	^{c = b - a} <u>Incr/</u> <u>(Decr)</u> <u>% Chg</u>		^d <u>Sales</u> <u>forecast (dths)</u>	^e <u>Receipts</u> <u>(dths)</u>	^f <u>Hedged</u> <u>volume (dths)</u>	^{g = e - f} <u>Unhedged</u> <u>volume (dths)</u>	^{h = c x g} <u>Change in</u> <u>value unhedged</u>
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	(\$9,196)
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 (TSG)	\$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
B.P.U.N.J. No. 15 GAS

Twentieth Revised Sheet No. 54
Superseding
Nineteenth 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	\$ 0.038080
Capital Adjustment Charge (See Tariff Sheet Nos. 48 to 49)	<u>0.000000</u>
Adjusted Non-Gulf Coast Cost of Gas	0.038080
Estimated Gulf Coast Cost of Gas	0.316390
Adjustment to Gulf Coast Cost of Gas	0.000000
Prior period (over) or under recovery	<u>0.018650</u>
Adjusted Cost of Gas	0.373120
Commodity Charge after application of losses: (Loss Factor = 0.5%).....	\$ 0.374986
Commodity Charge including New Jersey Sales and Use Tax (SUT).....	<u>\$ 0.401235</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)
December 1, 2015 through February 29, 2016	(\$0.233645)	(\$0.250000)
March 1, 2016	\$0.000000	\$0.000000

Date of Issue: November 23, 2015
Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Effective: December 1, 2015
Filed pursuant to Order of Board of Public Utilities dated January 6, 2003 and September 11, 2015
in Docket Nos. GX01050304 and GR15060647

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

Seventh Revised Sheet No. 65
Superseding
Sixth 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</u>	
\$0.290943	<u>Including SUT</u>	per therm
	\$0.311309	

Balancing Charge:

<u>Charge</u>	<u>Charge</u>	
\$0.087689	<u>Including SUT</u>	per Balancing Use Therm
	\$0.093827	

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: September 24, 2015

Effective: October 1, 2015

Issued by DANIEL J. CREGG, Vice President Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated September 11, 2015
in Docket No. GR15060647

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

Seventh Revised Sheet No. 72
Superseding
Sixth 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:

\$10.83 in each month [\$11.59 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>	
\$0.242552	\$0.259531	\$0.242552	\$0.259531	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>	
\$0.087689	\$0.093827	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: September 24, 2015

Effective: October 1, 2015

Issued by DANIEL J. CREGG, Vice President Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated September 11, 2015

in Docket No. GR15060647

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

Sixth Revised Sheet No. 79
Superseding
Fifth 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 [\$107.13 including New Jersey Sales and Use Tax (SUT)].

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

<u>Charge</u>	<u>Charge</u> <u>Including SUT</u>	
\$3.6179	\$3.8712	per Demand Therm

Distribution Charges:

	<u>Per therm for the first 1,000 therms</u> <u>used in each month</u>		<u>Per therm in excess of 1,000</u> <u>therms used in each month</u>	
	<u>Charges</u>		<u>Charges</u>	
	<u>Charges</u>	<u>Including SUT</u>	<u>Charges</u>	<u>Including SUT</u>
Pre-July 14, 1997 *	\$0.039882	\$0.042674	\$0.038159	\$0.040830
Post July 14, 1997	\$0.039882	\$0.042674	\$0.038159	\$0.040830

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

Balancing Charge:

<u>Charge</u>	<u>Charge</u> <u>Including SUT</u>	
\$0.087689	\$0.093827	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.

Date of Issue: September 24, 2015

Effective: October 1, 2015

Issued by DANIEL J. CREGG, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated September 11, 2015
in Docket No. GR15060647

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

Fifth Revised Sheet No. 112A
Superseding
Fourth Revised Sheet No. 112A

RATE SCHEDULE CSG
CONTRACT SERVICE
(Continued)

ECONOMICALLY VIABLE BYPASS
DELIVERY CHARGES:

Service Charge:

\$514.26 in each month [\$550.26 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>	
\$0.087689	\$0.093827	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. EO08030164. 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.

Date of Issue: September 24, 2015

Effective: October 1, 2015

Issued by DANIEL J. CREGG, Vice President Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated September 11, 2015
in Docket No. GR15060647