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BOARD OF PUBLIC UTILITIES
THEN TON, NU



August 30, 2019

Via Overnight Mail

In the Matter of Public Service Electric and Gas Company's 2019/2020
Annual BGSS Commodity Charge Filing for its Residential Gas Customers
Under its Periodic Pricing Mechanism and for Changes in its Balancing Charge
MAIL ROOM

BPU Docket No. GR19060699

SEP 0 3 2019

BOARD OF PUBLIC UTILITIES TRENTON, NJ

Aida Camacho-Welch, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 3rd Floor, Suite 314 Post Office Box 350 Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed for filing by Public Service Electric and Gas Company ("Company"), please find an original and ten copies of the Company's fully-executed Stipulation for Provisional BGSS Rates in the captioned matter.

Very truly yours,

Justin B. Incardone

Attach.

C Service List (Electronic)

Case Mynt

Public Service Electric and Gas Company BGSS 2019-2020

BPU

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CASE MANAGEMENT STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

RECEIVED MAIL ROOM SEP 0 3 2019

BOARD OF PUBLIC UTILITIES TRENTON, NJ

IN THE MATTER OF PUBLIC SERVICE)	TILLITON, NO
ELECTRIC AND GAS COMPANY'S)	
2019/2020 ANNUAL BGSS COMMODITY)	STIPULATION FOR
CHARGE FILING FOR ITS RESIDENTIAL)	PROVISIONAL BGSS RATES
GAS CUSTOMERS UNDER ITS PERIODIC)	
PRICING MECHANISM AND FOR CHANGES IN)	BPU DOCKET NO. GR19060699
ITS BALANCING CHARGE)	

APPEARANCES:

Matthew M. Weissman, Esq., General State Regulatory Counsel, and Justin B. Incardone, Esq., Associate General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

Felicia Thomas-Friel, Esq., Deputy Rate Counsel and Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

Emma Yao Xiao, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

On May 31, 2019, Public Service Electric and Gas Company ("PSE&G" 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 \$12.0 million [excluding losses and New Jersey Sales and Use Tax ("SUT")] to be implemented for service rendered on and after October 1, 2019 or earlier, should the New Jersey Board of Public Utilities ("BPU" or "Board") deem it appropriate. Additionally, the Company requested a decrease in its Balancing Charge. More specifically, in its May 31, 2019 filing, the Company requested to: (1) decrease the BGSS Commodity Charge to Residential Service Customers ("BGSS-RSG") from \$0.349059 per therm (including losses and SUT) to \$0.340221 per therm (including losses and SUT); and (2) decrease its Balancing Charge, which recovers the cost of providing storage and peaking services, from the current charge of \$0.102825 per balancing use therm (including losses and SUT) to \$0.098620 per balancing use therm (including losses and SUT) to \$0.098620 per balancing use therm (including losses and SUT) based on an eight-month balancing period of the billing months of October through May.

As filed, the proposed changes would decrease the annual bill for a typical residential heating customer using 172 therms per winter months, and 1,040 therms annually, from \$893.03 to \$887.14, a decrease of \$5.89, or approximately 0.66% (based upon rates in effect on May 1, 2019 and assuming the customer receives BGSS service from PSE&G). The proposed change, as filed, would decrease the annual bill for a residential heating customer using 100 therms per month during the winter months, and 610 therms annually, from \$566.34 to \$563.06, a decrease of \$3.28, or approximately 0.58% (based upon rates in effect on May 1, 2019 and assuming the customer receives BGSS service from PSE&G).

Notice setting forth the Company's May 31, 2019 request for the BGSS Commodity Charge decrease, Balancing Charge decrease, and Balancing Charge period modification, including the date, time, and place of public hearings, was placed in newspapers having a circulation within the Company's gas service territory and was served on the county executives and clerks of all municipalities within PSE&G's gas service territory.

Public hearings were conducted in Mt. Holly, Hackensack, and New Brunswick on August 22, 27, and 29, 2019, respectively. No member of the public appeared and spoke at the public hearings.

PSE&G, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "the Parties") determined that additional time is needed to complete the review of the Company's proposed BGSS-RSG Commodity Charge and Balancing Charge. However, the Parties also agree that action with respect to the Company's BGSS-RSG Commodity Charge for the 2019-2020 BGSS year and Balancing Charge, on a provisional basis, is reasonable at this time and HEREBY AGREE as follows:

1. The Company's BGSS Commodity Service, tariff rate BGSS-RSG, shall provisionally be decreased from \$0.349059 per therm (including losses and SUT) to \$0.340221 per

therm (including losses and SUT). This BGSS-RSG Commodity Charge is on a provisional basis, subject to refund with interest on any net over-recovered BGSS-RSG balance.

- 2. The period over which the Company's Balancing Charge is calculated and charged shall be modified on a provisional basis from the current five (5) billing months of November to March, to the eight (8) billing months of October to May. Should the balancing period be altered from the October to May eight billing month methodology to another in the final resolution of this proceeding, the Company will incorporate any such modification in its 2020/21 Annual BGSS Commodity Charge filing for implementation in the 2020-2021 balancing period.
- 3. The Company's Balancing Charge shall be decreased on a provisional basis, subject to refund, with interest on any net over or under-recovered balance, from the current charge of \$0.102825 per therm (including losses and SUT) based on a five-month balancing period, to \$0.098620 (including losses and SUT) based on an eight-month balancing period effective with the billing month of October 2019.
- 4. There will be an opportunity for full review of all the changes requested by the Company at the Office of Administrative Law, if applicable and necessary, and final approval by the Board.
- 5. The 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 would see a decrease in their monthly winter bill of \$1.23. ANNUAL a residential customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see a decrease in their annual bill of \$5.89 (both calculations based upon rates in effect on August 1, 2019 and assuming the customer receives BGSS service from PSE&G). The agreed-upon provisional rate would result in a decrease in BGSS revenues during the 2019-2020 BGSS year of approximately \$12.0 million (excluding losses and SUT). The Company requests that the provisional BGSS-RSG rate become effective as of October 1, 2019, and the Balancing Charge for the eight-

month balancing period become effective with the October billing month, or as soon as possible upon the issuance of a Board Order approving this Stipulation.

- 6. The Board, in its generic Order in Docket No. GX01050304 dated January 6, 2003, granted approval to increase the BGSS-RSG Commodity Charge to be effective December 1 of the year of the annual BGSS filing, and/or February 1 of the year following the annual BGSS filing, on a self-implementing basis, with each such increase being subject to a maximum rate increase of 5% of the average rate based on a typical 100 therms per month average (1,200 therms annual usage) residential customer's total bill. Such rate increases shall be preconditioned upon written notice by PSE&G to BPU Staff and Rate Counsel no later than November 1 and/or January 1 of its intention to apply a December 1 or a February 1 self-implementing rate increase, respectively, and of the approximate amount of the increases based upon then-current market data. The Company is permitted to decrease its BGSS-RSG Commodity Charge at any time, upon five (5) days' notice to the Board and Rate Counsel. Pursuant to the Board's January 2003 Order, any self-implementing increases or decreases would be provisional, and subject to reconciliation during the Company's next annual BGSS filing.
- 7. The Company will provide updated tariff sheets within five (5) business days of the effective date of the Board's Order in this docket reflecting the provisional decreases described above. The proposed tariff sheets are attached hereto as Exhibit A to this Stipulation.
- 8. The undersigned Parties recommend to the Board that this matter be transmitted to the Office of Administrative Law for an opportunity for full review of all issues, including the provisional rate and provisional change in the balancing provision if approved by the Board.
- 9. The undersigned agree that this Stipulation for a Provisional BGSS-RSG Commodity Charge and Balancing Charge contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its entirety. If 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 immediately prior to execution.

- 10. The undersigned further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.
- 11. The undersigned Parties further HEREBY AGREE that this Stipulation for a Provisional BGSS-RSG Commodity Charge and Balancing Charge 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 a Provisional BGSS-RSG Commodity Charge and Balancing Charge.

STEFANIE A. BRAND DIRECTOR, DIVISION OF RATE COUNSEL

BY:

Justin B. Incardone
Associate General Regulatory Counsel

Sarah H. Steindel Assistant Deputy Rate Counsel

DATED: August 30, 2019

DATED: August <u>30</u>, 2019

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

BY:

Peter Van Brunt (on behalf of Emma Yao Xiao) Deputy Attorney General

DATED: August <u>30</u>, 2019

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

XXX Revised Sheet No. 54 Superseding XXX 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	\$ <u>0.060450</u> 0.066071
Estimated Gulf Coast Cost of Gas Adjustment to Gulf Coast Cost of Gas Prior period (over) or under recovery Adjusted Cost of Gas	0.000000 (0.002130)-0.014480
Commodity Charge after application of losses: (Loss Factor = 2.0%)	
Commodity Charge including New Jersey Sales and Use Tax (SUT)	<u>\$ 0.3402210.349059</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)
April 1, 2018 through April 30, 2018	(\$0.140680)	(\$0.150000)
May 1, 2018	\$0.00000	\$0.000000

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

XXX Revised Sheet No. 65 Superseding XXX 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:

\$8.08 in each month [\$8.62 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

Balancing Charge:

	Charge	
Charge	Including SUT	
\$0.092492	\$0.098620	
_0.096436	\$0.102825	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 as approved by the Board. 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.

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

XXX Revised Sheet No. 67 Superseding XXX Original Sheet No. 67

RATE SCHEDULE RSG RESIDENTIAL SERVICE (Continued)

Basic Gas Supply Service:

Customers that do not receive gas supply from a TPS will be supplied under the Basic Gas Supply Service-RSG (BGSS-RSG) default service.

The BGSS-RSG Commodity Charge will be applied to all therms billed each month, except customers that receive Delivery Service under Special Provision (c) of this Rate Schedule where the therms used for all purposes in excess of 50 therms in any month during the Off-Peak Period shall be charged at the BGSS-RSGOP Commodity Charge.

Refer to the Basic Gas Supply Service – RSG sheets of this Tariff for the current charge for the BGSS-RSG commodity charge and the BGSS-RSGOP commodity charge.

OTHER CHARGES:

See Special Provisions (c) and (g) below.

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factors which appear on every bill.

Balancing Use Therms:

During each of the billing months of October Nevember through May March, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Daily Contract Quantity:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated by Public Service for twelve (12) months by dividing customer's weather-normalized usage, adjusted for losses, for each of the most recent twelve (12) billing months by the total number of days in each billing month. Public Service may adjust customer's DCQ during the year, due to changes in customer's gas equipment or pattern of usage, or projected usage. For new customers, customer's initial DCQ will be estimated by Public Service, based upon the rating of the customer's gas equipment and expected utilization of the equipment. At the end of each billing period Public Service will calculate the difference between customer's actual usage, adjusted for losses, and actual TPS supply for the billing period, taking into consideration any adjustments from prior months, and will adjust the DCQ for the second succeeding month by that difference divided by the total number of days in the month, provided that such adjustment will not decrease that month's adjusted DCQ to a level less than zero. Any such adjustment that would result in a particular month's DCQ being less than zero will be carried to a future month.

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

XXX Revised Sheet No. 72 Superseding XXX 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:

\$14,50 in each month [\$15.46 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

 Pre-July 14, 1997 *
 All Others

 Charge
 Charge

 Charge
 Including SUT

 \$0.280009
 \$0.298560

 \$0,280009
 \$0.298560

 per therm

Balancing Charge:

	Charge	
<u>Charge</u>	Including SUT	
\$0.092492	\$0.098620	
0.096436	\$0.102825	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 as approved by the Board. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

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

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

XXX Revised Sheet No. 74 Superseding XXX Original Sheet No. 74

RATE SCHEDULE GSG GENERAL SERVICE (Continued)

If a customer is receiving Emergency Sales Service and does not wish to designate a TPS for future deliveries or customer, for any reason, no longer desires to receive gas supply from a TPS, the customer may receive gas supply pursuant to Public Service's Basic Gas Supply Service-Firm.

The conditions under which Emergency Sales Service will apply are detailed in Section 14 - Third Party Supply Service Provisions of the Standard Terms and Conditions of this Tariff, and the charges for this service are defined on the Emergency Sales Service sheet of this Tariff.

Basic Gas Supply Service:

Customers that do not receive gas supply from a TPS will be supplied under the Basic Gas Supply Service Firm (BGSS-F) default service, which will be applied to all therms billed each month. Refer to the Basic Gas Supply Service – Firm sheet of this Tariff for the current charge for BGSS-F commodity charge.

OTHER CHARGES:

See Special Provisions (b), (e) and (i) below.

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factors which appear on every bill.

Balancing Use Therms:

During each of the billing months of <u>OctoberNevember</u> through <u>MayMarch</u>, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Daily Contract Quantity:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated by Public Service for twelve (12) months by dividing customer's weather-normalized usage, adjusted for losses, for each of the most recent twelve (12) billing months by the total number of days in each billing month. Public Service may adjust customer's DCQ during the year, due to changes in customer's gas equipment or pattern of usage, or projected usage. For new customers, customer's initial DCQ will be estimated by Public Service, based upon the rating of the customer's gas equipment and expected utilization of the equipment. At the end of each billing period, Public Service will calculate the difference between customer's actual usage, adjusted for losses, and actual TPS supply for the billing period, taking into consideration any adjustments from prior months, and will adjust the DCQ for the second succeeding month by that difference divided by the total number of days in the month, provided that such adjustment will not decrease that month's adjusted DCQ to a level less than zero. Any such adjustment that would result in a particular month's DCQ being less than zero will be carried to a future month.

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

XXX Revised Sheet No. 79
Superseding
XXX 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:

\$128.76 in each month [\$137.29 including New Jersey Sales and Use Tax (SUT)].

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

Charge Including SUT

\$ 3,9207 \$ 4.1804

per Demand Therm

Distribution Charges:

Per therm for the first 1,000 therms Per therm in excess of 1,000 therms

<u>used in each month</u> <u>used in each month</u>

 Charges
 Charges
 Charges

 \$0.039047
 \$0.041634
 \$0.042397
 \$0.045206

Balancing Charge:

Charge | Including SUT | \$0.092492 | \$0.098620 | \$0.102825 | 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.

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

XXX Revised Sheet No. 82 Superseding XXX Original Sheet No. 82

RATE SCHEDULE LVG LARGE VOLUME SERVICE (Continued)

Balancing Use Therms:

During each of the billing months of October November through May March, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Daily Contract Quantity:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated by Public Service for twelve (12) months by dividing customer's weather-normalized usage, adjusted for losses, for each of the most recent twelve (12) billing months by the total number of days in each billing month. Public Service may adjust customer's DCQ during the year, due to changes in customer's gas equipment or pattern of usage, or projected usage. For new customers, customer's initial DCQ will be estimated by Public Service, based upon the rating of the customer's gas equipment and expected utilization of the equipment. At the end of each billing period, Public Service will calculate the difference between customer's actual usage, adjusted for losses, and actual TPS supply for the billing period, taking into consideration any adjustments from prior months, and will adjust the DCQ for the second succeeding month by that difference divided by the total number of days in the month, provided that such adjustment will not decrease that month's adjusted DCQ to a level less than zero. Any such adjustment that would result in a particular month's DCQ being less than zero will be carried to a future month.

TERMS OF PAYMENT:

Payment is due within 15 days after the postmark date, or email date for customers who have opted for paperless billing, of the outstanding bill and subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 8.13 of the Standard Terms and Conditions. Service to a body politic will not be subject to a late payment charge.

TERM:

One year and thereafter until terminated by five days' notice.

Customers who transfer from third party supply to Basic Gas Supply Service may be subject to renewable one year terms. Refer to Section 14 of the Standard Terms and Conditions of this Tariff for additional limitations regarding the term of Basic Gas Supply Service.

SPECIAL PROVISIONS APPLICABLE TO ALL CUSTOMERS:

- (a) Service under this rate schedule is not available for resale, except where service is for motor vehicle fuel supplied through compression equipment.
- (b) Service supplied under this rate schedule shall be separately metered and shall not be combined with use under any other rate schedule for billing purposes. Customer shall not be eligible to receive service under this rate schedule and any other rate schedule for the same equipment or for equipment supplying a common steam header during the term of the Service Agreement.

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

XXX Revised Sheet No. 112A Superseding XXX Revised Sheet No. 112A

RATE SCHEDULE CSG CONTRACT SERVICE (Continued)

ECONOMICALLY VIABLE BYPASS DELIVERY CHARGES:

Service Charge:

\$689.62 in each month [\$735.31 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>	
Charge	Including SUT	
\$0.092492	\$0.098620	per Balancing Use Therm
0.006436	0.102825	[+ ++

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 as approved by the Board. 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.

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

XXX Revised Sheet No. 112C Superseding XXX Original Sheet No. 112C

RATE SCHEDULE CSG CONTRACT SERVICE (Continued)

OTHER CHARGES:

See Special Provision (f).

MINIMUM ANNUAL DISTRIBUTION CHARGE:

If customer's annual usage is less than 50% of the customer's Contract Monthly Therms multiplied by 12, then the customer will be billed for the difference between the actual annual therms and 50% of the customer's Contract Monthly Therms multiplied by 12 and then multiplied by the Distribution Charge. The Minimum Annual Distribution Charge, if applicable, will be billed at the end of the customer's annualized period.

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factor which appears on every bill. The conversion factor used for the "therm multiplier" shall be on the basis of the actual heating value of the gas used.

Balancing Use Therms:

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

During each of the billing months of <u>OctoberNovember</u> through <u>MayMarch</u>, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Contract Monthly Therms:

Estimated annual therm usage (see Item 3, Tariff Sheet 112) determined as reasonable by Public Service divided by 12 and rounded to the nearest therm.

Alternative Delivery Cost:

- a) For Firm Delivery Service: The estimated total up-front cost of the customer's bypass plan, based on a detailed cost estimate provided by the applicable interstate pipeline.
- b) For Interruptible Delivery Service: The sum of 90% of the estimated total up-front cost of the customer's bypass plan, based on a detailed cost estimate provided by the applicable interstate pipeline, plus 10% of the incremental installed cost for Public Service to provide interruptible delivery service as estimated by Public Service.

Net Alternative Delivery Cost:

The Net Alternative Delivery Cost is equal to the Alternative Delivery Cost net of any customer contribution made to Public Service to provide service under this Rate Schedule without Public Service tax gross-up effects.

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

XXX Revised Sheet No. 54 Superseding XXX 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	\$ 0.060450
Estimated Gulf Coast Cost of Gas	0.254380 0.000000 (0.002130) 0.312700
Commodity Charge after application of losses: (Loss Factor = 2.0%)	\$ 0.319082
Commodity Charge including New Jersey Sales and Use Tax (SUT)	<u>\$ 0.340221</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)
April 1, 2018 through April 30, 2018	(\$0.140680)	(\$0.150000)
May 1, 2018	\$0.000000	\$0.00000

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

XXX Revised Sheet No. 65 Superseding XXX 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:

\$8,08 in each month [\$8.62 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

Charge

Charge Including SUT

\$0.345322

\$0.368200

per therm

Balancing Charge:

Charge

<u>Charge</u>

Including SUT

\$0.092492

\$0.098620

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 as approved by the Board. 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.

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

XXX Revised Sheet No. 67 Superseding XXX Original Sheet No. 67

RATE SCHEDULE RSG RESIDENTIAL SERVICE (Continued)

Basic Gas Supply Service:

Customers that do not receive gas supply from a TPS will be supplied under the Basic Gas Supply Service-RSG (BGSS-RSG) default service.

The BGSS-RSG Commodity Charge will be applied to all therms billed each month, except customers that receive Delivery Service under Special Provision (c) of this Rate Schedule where the therms used for all purposes in excess of 50 therms in any month during the Off-Peak Period shall be charged at the BGSS-RSGOP Commodity Charge.

Refer to the Basic Gas Supply Service – RSG sheets of this Tariff for the current charge for the BGSS-RSG commodity charge and the BGSS-RSGOP commodity charge.

OTHER CHARGES:

See Special Provisions (c) and (g) below.

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factors which appear on every bill.

Balancing Use Therms:

During each of the billing months of October through May, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Daily Contract Quantity:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated by Public Service for twelve (12) months by dividing customer's weather-normalized usage, adjusted for losses, for each of the most recent twelve (12) billing months by the total number of days in each billing month. Public Service may adjust customer's DCQ during the year, due to changes in customer's gas equipment or pattern of usage, or projected usage. For new customers, customer's initial DCQ will be estimated by Public Service, based upon the rating of the customer's gas equipment and expected utilization of the equipment. At the end of each billing period Public Service will calculate the difference between customer's actual usage, adjusted for losses, and actual TPS supply for the billing period, taking into consideration any adjustments from prior months, and will adjust the DCQ for the second succeeding month by that difference divided by the total number of days in the month, provided that such adjustment will not decrease that month's adjusted DCQ to a level less than zero. Any such adjustment that would result in a particular month's DCQ being less than zero will be carried to a future month.

per therm

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

XXX Revised Sheet No. 72 Superseding XXX 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:

\$14.50 in each month [\$15.46 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

Pre-July 14, 1997 * All Others

 Charge
 Charge
 Charge

 Charge
 Including SUT
 Charge
 Including SUT

 \$0.280009
 \$0.298560
 \$0.280009
 \$0.298560

Balancing Charge:

Charge Including SUT

\$0.092492 \$0.098620 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 as approved by the Board. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

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

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

XXX Revised Sheet No. 74 Superseding XXX Original Sheet No. 74

RATE SCHEDULE GSG GENERAL SERVICE (Continued)

If a customer is receiving Emergency Sales Service and does not wish to designate a TPS for future deliveries or customer, for any reason, no longer desires to receive gas supply from a TPS, the customer may receive gas supply pursuant to Public Service's Basic Gas Supply Service-Firm.

The conditions under which Emergency Sales Service will apply are detailed in Section 14 - Third Party Supply Service Provisions of the Standard Terms and Conditions of this Tariff, and the charges for this service are defined on the Emergency Sales Service sheet of this Tariff.

Basic Gas Supply Service:

Customers that do not receive gas supply from a TPS will be supplied under the Basic Gas Supply Service Firm (BGSS-F) default service, which will be applied to all therms billed each month. Refer to the Basic Gas Supply Service – Firm sheet of this Tariff for the current charge for BGSS-F commodity charge.

OTHER CHARGES:

See Special Provisions (b), (e) and (i) below.

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factors which appear on every bill.

Balancing Use Therms:

During each of the billing months of October through May, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Daily Contract Quantity:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated by Public Service for twelve (12) months by dividing customer's weather-normalized usage, adjusted for losses, for each of the most recent twelve (12) billing months by the total number of days in each billing month. Public Service may adjust customer's DCQ during the year, due to changes in customer's gas equipment or pattern of usage, or projected usage. For new customers, customer's initial DCQ will be estimated by Public Service, based upon the rating of the customer's gas equipment and expected utilization of the equipment. At the end of each billing period, Public Service will calculate the difference between customer's actual usage, adjusted for losses, and actual TPS supply for the billing period, taking into consideration any adjustments from prior months, and will adjust the DCQ for the second succeeding month by that difference divided by the total number of days in the month, provided that such adjustment will not decrease that month's adjusted DCQ to a level less than zero. Any such adjustment that would result in a particular month's DCQ being less than zero will be carried to a future month.

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

XXX Revised Sheet No. 79 Superseding XXX 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:

\$128.76 in each month [\$137.29 including New Jersey Sales and Use Tax (SUT)].

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

Charge

Charge

Including SUT

\$ 3.9207 \$ 4.1804 per Demand Therm

Distribution Charges:

Per therm for the first 1,000 therms

used in each month

Per therm in excess of 1,000 therms

used in each month

Charges \$0.039047

Charges Including SUT \$0.041634

Charges \$0,042397

Charges Including SUT \$0.045206

Balancing Charge:

Charge

Including SUT

\$0.092492

\$0.098620

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.

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

XXX Revised Sheet No. 82 Superseding XXX Original Sheet No. 82

RATE SCHEDULE LVG LARGE VOLUME SERVICE (Continued)

Balancing Use Therms:

During each of the billing months of October through May, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Daily Contract Quantity:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated by Public Service for twelve (12) months by dividing customer's weather-normalized usage, adjusted for losses, for each of the most recent twelve (12) billing months by the total number of days in each billing month. Public Service may adjust customer's DCQ during the year, due to changes in customer's gas equipment or pattern of usage, or projected usage. For new customers, customer's initial DCQ will be estimated by Public Service, based upon the rating of the customer's gas equipment and expected utilization of the equipment. At the end of each billing period, Public Service will calculate the difference between customer's actual usage, adjusted for losses, and actual TPS supply for the billing period, taking into consideration any adjustments from prior months, and will adjust the DCQ for the second succeeding month by that difference divided by the total number of days in the month, provided that such adjustment will not decrease that month's adjusted DCQ to a level less than zero. Any such adjustment that would result in a particular month's DCQ being less than zero will be carried to a future month.

TERMS OF PAYMENT:

Payment is due within 15 days after the postmark date, or email date for customers who have opted for paperless billing, of the outstanding bill and subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 8.13 of the Standard Terms and Conditions, Service to a body politic will not be subject to a late payment charge.

TERM:

One year and thereafter until terminated by five days' notice.

Customers who transfer from third party supply to Basic Gas Supply Service may be subject to renewable one year terms. Refer to Section 14 of the Standard Terms and Conditions of this Tariff for additional limitations regarding the term of Basic Gas Supply Service.

SPECIAL PROVISIONS APPLICABLE TO ALL CUSTOMERS:

- (a) Service under this rate schedule is not available for resale, except where service is for motor vehicle fuel supplied through compression equipment.
- (b) Service supplied under this rate schedule shall be separately metered and shall not be combined with use under any other rate schedule for billing purposes. Customer shall not be eligible to receive service under this rate schedule and any other rate schedule for the same equipment or for equipment supplying a common steam header during the term of the Service Agreement.

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

XXX Revised Sheet No. 112A Superseding XXX Revised Sheet No. 112A

RATE SCHEDULE CSG CONTRACT SERVICE (Continued)

ECONOMICALLY VIABLE BYPASS DELIVERY CHARGES:

Service Charge:

\$689.62 in each month [\$735.31 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> \$0.092492 Charge Including SUT \$0.098620

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 as approved by the Board. 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.

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

XXX Revised Sheet No. 112C Superseding XXX Original Sheet No. 112C

RATE SCHEDULE CSG CONTRACT SERVICE (Continued)

OTHER CHARGES:

See Special Provision (f).

MINIMUM ANNUAL DISTRIBUTION CHARGE:

If customer's annual usage is less than 50% of the customer's Contract Monthly Therms multiplied by 12, then the customer will be billed for the difference between the actual annual therms and 50% of the customer's Contract Monthly Therms multiplied by 12 and then multiplied by the Distribution Charge. The Minimum Annual Distribution Charge, if applicable, will be billed at the end of the customer's annualized period.

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factor which appears on every bill. The conversion factor used for the "therm multiplier" shall be on the basis of the actual heating value of the gas used.

Balancing Use Therms:

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

During each of the billing months of October through May, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Contract Monthly Therms:

Estimated annual therm usage (see Item 3, Tariff Sheet 112) determined as reasonable by Public Service divided by 12 and rounded to the nearest therm.

Alternative Delivery Cost:

- a) For Firm Delivery Service: The estimated total up-front cost of the customer's bypass plan, based on a detailed cost estimate provided by the applicable interstate pipeline.
 b) For Interruptible Delivery Service: The sum of 90% of the estimated total up-front cost of the
- b) For Interruptible Delivery Service: The sum of 90% of the estimated total up-front cost of the customer's bypass plan, based on a detailed cost estimate provided by the applicable interstate pipeline, plus 10% of the incremental installed cost for Public Service to provide interruptible delivery service as estimated by Public Service.

Net Alternative Delivery Cost:

The Net Alternative Delivery Cost is equal to the Alternative Delivery Cost net of any customer contribution made to Public Service to provide service under this Rate Schedule without Public Service tax gross-up effects.