



Agenda Date: 8/18/21

Agenda Item: 2C

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF CHANGES IN ITS ELECTRIC TAX ADJUSTMENT CREDIT AND GAS TAX ADJUSTMENT CREDIT "2020 TAC FILING" ) ORDER APPROVING STIPULATION )  
) )  
) )  
) BPU DOCKET NOS. ER20100685 )  
) and GR20100686 )

**Parties of Record:**

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

BY THE BOARD:

On October 28, 2020, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking approval for electric and gas base rate changes associated with the Electric Tax Adjustment Credit ("ETAC") and Gas Tax Adjustment Credit ("GTAC") (collectively, "TACs") to establish revised rates for 2021 ("October 2020 TAC Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by PSE&G, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties"), intended to resolve the Company's request to revise its TACs.

**BACKGROUND**

On December 22, 2017, the Tax Cuts and Job Act ("2017 Act") was signed into law, with an effective date of January 1, 2018. The 2017 Act set forth changes to the Federal Internal Revenue Tax Code, including a reduction in the maximum corporate tax rate from 35% to 21%. The Board reviewed the 2017 Act in January 2018 and issued an Order dated January 31, 2018.<sup>1</sup> In the Consideration Order, the Board found that the reduction in the corporate tax rate resulted in a savings to New Jersey public utilities, and thus, in an over-collection of tax revenue that would not be paid in federal income taxes. Additionally, the Consideration Order directed several New Jersey public utilities, including PSE&G, to make filings detailing certain impacts of the 2017 Act

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<sup>1</sup> In re the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017, BPU Docket No. AX18010001, Order dated January 31, 2018 ("Consideration Order").

with the intent of ensuring that tax savings are passed onto the ratepayers. On March 2, 2018, the Company filed a petition pursuant to the Consideration Order that included a proposed plan as well as tariff sheets reducing its electric and gas distribution rates to reflect the impact of the 2017 Act.

By Order dated March 26, 2018, the Board directed that PSE&G's proposed plan be reviewed in the Company's 2018 Base Rate Case.<sup>2</sup> The March 2018 Order also directed the Company to file tariffs reflecting its proposed rate reduction to be effective April 1, 2018, on an interim basis, subject to the outcome of its 2018 Base Rate Case.

Pursuant to the March 2018 Order, the Company reduced its base rates effective April 1, 2018 to eliminate any further over-collection. PSE&G deferred the over-collection for the period January 1, 2018 through March 31, 2018 ("Stub Period") on the books for return to customers.

By Order dated October 29, 2018, the Board approved a stipulation in PSE&G's 2018 Base Rate Case where the initial TACs were implemented along with the revenue requirement increase.<sup>3</sup> Additionally, pursuant to the 2018 Base Rate Case Order, the excess income tax recovery for the Stub Period was refunded to customers over a two (2) month period, November and December 2018, with interest. The TACs were then reset in January 2019.

By Order dated January 22, 2020, the Board approved the implementation of revised ETAC and GTAC rates on a provisional basis, effective on and after February 1, 2020, subject to refund, with interest on any net over recovered balance.<sup>4</sup> By Order dated July 15, 2020, the Board approved a stipulation finalizing the review of PSE&G's 2019 TAC filing.<sup>5</sup> As approved in the July 2020 Order, PSE&G's TAC rates were updated to reflect the impact of the Internal Revenue Service ("IRS") Private Letter Ruling ("PLR") which provided guidance on the treatment of both the deficient deferred taxes related to Cost of Removal ("COR"), and the excess deferred taxes associated with accounting method changes related to repair deductions and capitalization of mixed service costs that are not subject to the tax normalization rules ("PLR Update"). As a result of updated 2019 TAC schedules, including actuals through June 30, 2019 and the PLR Update, the total impact of adjusting the TACs resulted in an overall refund of approximately \$54.5 million (GTAC: \$29.2 million and ETAC: \$25.2 million).

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<sup>2</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Revised Rates (Effective on an Interim Basis April 1, 2018) to Reflect the Reduction Under the Tax Cut and Jobs Act of 2017, BPU Docket No. ER18030231, Order dated March 26, 2018 ("March 2018 Order").

<sup>3</sup> In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service, B.P.U.N.J. No. 16 Electric and B.P.U.N.J. No. 16 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief, BPU Docket Nos. ER18010029 and GR18010030, Order dated October 29, 2018 ("2018 Base Rate Case Order").

<sup>4</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2019 TAC Filing"), BPU Docket No. ER19091302 and GR19091303, Order dated January 22, 2020.

<sup>5</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2019 TAC Filing"), BPU Docket No. ER19091302 and GR19091303, Order dated July 15, 2020 ("July 2020 Order").

### **October 2020 TAC Petition**

In the October 2020 TAC Petition, the Company proposed to establish revised rates for 2021, based upon actual information through June 2020 and forecasted information through December 31, 2021.

For the ETAC the proposed refund was approximately \$126.2 million, which would result in a decrease to electric customers of \$22.8 million when compared to the current ETAC. For the GTAC, the proposed refund was approximately \$127.7 million, which would result in an increase to gas customers of approximately \$49.0 million when compared to the current GTAC.

Through the course of the proceeding, PSE&G made several updates to the TAC schedules. On January 14, 2021, PSE&G updated the schedules to reflect a correction discovered in the Company's COR balances in relation to the IRS PLR ("COR Correction"). On March 22, 2021, PSE&G updated the TAC schedules to incorporate the COR Correction with actual information through December 31, 2020 and to update the 2021 billing determinants. As a result of the updates, the proposed ETAC refund was revised to approximately \$125.1 million, which would result in a decrease to electric customers of \$21.7 million. The proposed GTAC refund was revised to approximately \$119.5 million, which would result in an increase to gas customers of approximately \$57.1 million.

Following publication of notice in newspapers of general circulation within PSE&G's service territory and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) telephonic public hearings were held at 4:30 p.m. and 5:30 p.m. on January 21, 2021.<sup>6</sup> No members of the public attended or filed written comments with the Board.

### **STIPULATION**

Following a review of the October 2020 TAC Petition, updates thereto, and discovery responses, the Parties executed the Stipulation, which provides the following:<sup>7</sup>

1. The Company's proposed tariff rate TAC-RS of (\$0.007557) per kWh (including Sales and Use Tax ["SUT"]), and the TAC-RSG rate of (\$0.064668) per therm (including SUT) as reflected in Attachment 1 of the Stipulation, will be effective upon Board approval.
2. As a result of the proposed rates set forth in Attachment 2 of the Stipulation, PSE&G's typical residential electric customers using 740 kWh in a summer month and 6,920 kWh annually would experience a decrease in the annual bill from \$1,324.60 to \$1,315.24, or \$9.36 or approximately 0.71% (based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in effect June 1, 2021, and assuming the customer receives BGS-RSCP service from PSE&G).

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<sup>6</sup> Due to the COVID-19 pandemic, hearings were held virtually.

<sup>7</sup> Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

3. As a result of the proposed rates set forth in Attachment 2 of the Stipulation, PSE&G's typical residential gas heating customers using 172 therms in a winter month and 1,040 therms annually would experience an increase in their annual bill from \$895.42 to \$920.14, or \$24.72 or approximately 2.76% (based on current Delivery Rates and Basic Gas Supply Service [BGSS RSG] charges in effect June 1, 2021 and assuming the customer receives BGSS-RSG service from PSE&G).
4. The Company will submit its next TAC cost recovery filing by no later than October 31, 2021 based on actual results through June 30, 2021 and a forecast through December 31, 2021 in accordance with the terms of the 2018 Base Rate Case settlement. The change in the ETAC and GTAC balances from the update for actual results through December 31, 2021 will be incorporated into the 2021 TAC filing.

### **DISCUSSION AND FINDINGS**

Having carefully reviewed the record in this matter, including the October 2020 TAC Petition and updates, including the COR Correction and Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY APPROVES** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein.

Accordingly, the Board **HEREBY APPROVES** the ETAC and GTAC rates as set forth in Attachment 1 of the Stipulation. These changes shall become effective as of September 1, 2021.

As a result of the Stipulation, the annual impact on the typical residential electric customer using 740 kWh in a summer month and 6,920 kWh would be a decrease of \$9.36 or approximately 0.71%. The annual impact on the typical residential gas heating customer using 172 therms in a winter month and 1,040 therms annually would be an increase of \$24.72 or approximately 2.76%.

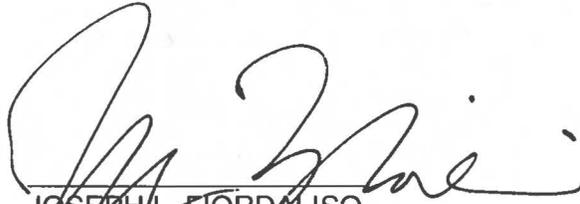
The Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation by September 1, 2021.

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

This Order shall be effective August 25, 2021.

DATED: 8/18/21

BOARD OF PUBLIC UTILITIES  
BY:



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PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



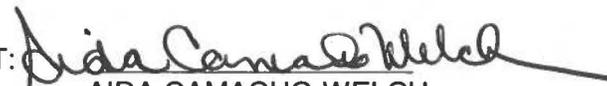
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ROBERT M. GORDON  
COMMISSIONER

ATTEST:   
AIDA CAMACHO-WELCH  
BOARD SECRETARY

**IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY  
FOR APPROVAL OF CHANGES IN ITS ELECTRIC TAX ADJUSTMENT CREDIT AND GAS  
TAX ADJUSTMENT CREDIT (“2020 TAC FILING”)**

**BPU DOCKET NOS. ER20100685 & GR20100686**

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August 5, 2021

In the Matter of the Petition of  
Public Service Electric and Gas Company  
for Approval of Changes in its Electric Tax Adjustment Credit  
and Gas Adjustment Credit (2020 TAC Filing")  
BPU Docket Nos. ER20100685 GR20100686

**VIA E-FILING & ELECTRONIC MAIL**

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

Dear Secretary Camacho-Welch:

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

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

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written in a cursive style.

C Attached Service List (via e-mail)

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

IN THE MATTER OF THE PETITION OF PUBLIC	)	STIPULATION FOR
SERVICE ELECTRIC AND GAS COMPANY FOR	)	TAC RATES
APPROVAL OF CHANGES IN ITS ELECTRIC TAX	)	
ADJUSTMENT CREDIT AND GAS TAX	)	BPU DOCKET NOS.
ADJUSTMENT CREDIT (“2020 TAC FILING”)	)	ER20100685 & GR20100686

**STIPULATION AND AGREEMENT**

**APPEARANCES:**

**Matthew M. Weissman, Esq.**, Managing Counsel-State Regulatory, and **Danielle Lopez, Esq.**, Associate Counsel-Regulatory, for the Petitioner, Public Service Electric and Gas Company.

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

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

**BACKGROUND**

On October 28, 2020, Public Service Electric and Gas Company (“Public Service”, “PSE&G”, or “Company”) filed a petition and supporting documentation with the New Jersey Board of Public Utilities (“Board”) requesting a resetting of the Company’s Electric Tax Adjustment Credit (“ETAC”) and Gas Tax Adjustment Credit (“GTAC”) (collectively, “TACs”) (“2020 TAC Petition”). The 2020 TAC Petition was filed pursuant to the Board’s October 29, 2018 Order approving the Stipulation of Settlement of PSE&G’s 2018 Base Rate Case.<sup>1</sup> Among other things, the Rate Case Order included the terms and operation of the TACs applicable to electric and gas rates pursuant to the Tax Cuts and Jobs Act of 2017 (“2017 Tax Act”). Pursuant to the Rate Case

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

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

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

On September 26, 2019, PSE&G filed a petition with the Board seeking approval for electric and gas rate changes associated with the TACs to establish new rates for 2020 (“September 2019 TAC Petition”). By Order dated January 22, 2020, the Board authorized PSE&G to implement provisional TAC rates based upon the requests in the September 2019 TAC Petition. Subsequently, by Order dated July 15, 2020, the Board approved a stipulation for final rates entered into by PSE&G, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (“Staff”) (collectively, “Parties”), requesting that the Board approve changes in the TACs on a final basis.

As noted at the outset, on October 28, 2020, the Company filed the 2020 TAC Petition proposing modifications to the TAC rates effective January 1, 2021 based upon actual results through June 30, 2020 and a forecast through December 31, 2021.

For the ETAC, the Company proposed a refund from January 1, 2021 through December 31, 2021 of approximately \$104.2 million, which, when added to the Company’s estimated over-

collected balance with interest at December 31, 2020 of \$22.0 million, would result in a total proposed refund to customers of approximately \$126.2 million. Based upon the 2020 TAC Petition, this would represent a \$22.8 million decrease compared to current ETAC rates on an annualized basis.

For the GTAC, the Company estimated a refund from January 1, 2021 through December 31, 2021 of approximately \$132.5 million, which, when added to the Company's estimated under-collected balance with interest at December 31, 2020 of \$4.8 million, would result in a total proposed refund to customers of approximately \$127.7 million. Based upon the 2020 TAC Petition, this would represent a \$49.0 million increase compared to current GTAC rates on an annualized basis.

Notice of the Company's 2020 TAC Petition, including the date, time and telephonic dial-in details for the public hearings, was placed in newspapers having a circulation within the Company's gas service territory, and served on the Clerks of the municipalities, the Clerks of the Board of County Commissioners, and the County Executives within the Company's electric and gas service territories. In accordance with that notice, due to the COVID-19 pandemic, two (2) telephonic public hearings were held at 4:30 p.m. and 5:30 p.m. on January 21, 2021. No members of the public provided comments during the telephonic public hearing nor filed written comments with the Board.

Subsequently, the Company updated the 2020 TAC Petition revenue requirements by way of a discovery response to incorporate actual results through December 31, 2020 ("Update").<sup>2</sup> The Update would have resulted in both proposed electric and gas rate increases relative to the Company's

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<sup>2</sup> See the Company's response to S-PSEG-TAC-0001 Update, submitted March 22, 2021.

2020 TAC Petition proposed request, and above those rate impacts noticed in the Company's public hearings.

The Parties completed their review of the 2020 TAC Petition and responses to discovery and HEREBY STIPULATE AND AGREE as follows:

1. The Company's proposed tariff rate TAC-RS of (\$0.007557) per kWh (including Sales and Use Tax ["SUT"]), and the TAC-RSG rate of (\$0.064668) per therm (including SUT) as reflected in Attachment 1, will be effective upon Board approval.
2. As a result of the proposed rates set forth in Attachment 2, PSE&G's typical residential electric customers using 740 kWh in a summer month and 6,920 kWh annually would experience a decrease in the annual bill from \$1,324.60 to \$1,315.24, or \$9.36 or approximately 0.71% (based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in effect June 1, 2021, and assuming the customer receives BGS-RSCP service from PSE&G).
3. As a result of the proposed rates set forth in Attachment 2, PSE&G's typical residential gas heating customers using 172 therms in a winter month and 1,040 therms annually would experience an increase in their annual bill from \$895.42 to \$920.14, or \$24.72 or approximately 2.76% (based on current Delivery Rates and Basic Gas Supply Service [BGSS RSG] charges in effect June 1, 2021 and assuming the customer receives BGSS-RSG service from PSE&G).
4. The Company will submit its next TAC cost recovery filing by no later than October 31, 2021 based on actual results through June 30, 2021 and a forecast through December 31, 2021 in accordance with the terms of the 2018 Base Rate Case settlement. The change in

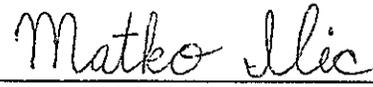
the ETAC and GTAC balances from the update for actual results through December 31, 2021 will be incorporated into the 2021 TAC filing.

5. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion.
6. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.
7. The Stipulation is binding for all purposes herein.
8. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item.
9. Further, this Stipulation is in no way binding upon the Parties in any other proceeding, except to enforce the terms of this Stipulation.
10. A Board order approving this Final Stipulation shall become effective upon the service of said Board order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

PUBLIC SERVICE ELECTRIC AND GAS  
COMPANY

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

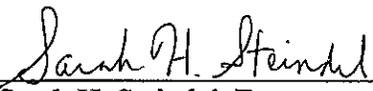
  
BY: \_\_\_\_\_  
Danielle Lopez, Esq.  
Associate Counsel - Regulatory

  
BY: \_\_\_\_\_  
Matko Ilic  
Deputy Attorney General

DATED: July 1, 2021

DATED: July 13, 2021

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

  
BY: \_\_\_\_\_  
Sarah H. Steindel, Esq.,  
Assistant Deputy Rate Counsel

DATED: ~~July~~ <sup>Aug.</sup> 3, 2021

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**XXX Revised Sheet No. 69**

**Superseding**

**XXX Revised Sheet No. 69**

**TAX ADJUSTMENT CREDIT**

<u>Rate Schedule</u>	<u>Charge per kilowatt-hour</u>	<u>Charge per kilowatt-hour Including SUT</u>
RS.....	<del>(\$0.007087)</del>	<del>(\$0.007557)</del>
	<del>(\$0.005813)</del>	<del>(\$0.006198)</del>
RHS.....	<del>(\$0.008028)</del>	<del>(\$0.008560)</del>
	<del>(\$0.005222)</del>	<del>(\$0.005568)</del>
RLM.....	<del>(\$0.006023)</del>	<del>(\$0.006422)</del>
	<del>(\$0.004492)</del>	<del>(\$0.004790)</del>
WH.....	(\$0.000000)	(\$0.000000)
WHS.....	(\$0.000000)	(\$0.000000)
HS.....	<del>(\$0.003590)</del>	<del>(\$0.003828)</del>
	<del>(\$0.002279)</del>	<del>(\$0.002430)</del>
GLP.....	<del>(\$0.002027)</del>	<del>(\$0.002161)</del>
	<del>(\$0.001669)</del>	<del>(\$0.001780)</del>
LPL - Secondary.....	<del>(\$0.001195)</del>	<del>(\$0.001274)</del>
	<del>(\$0.000978)</del>	<del>(\$0.001043)</del>
LPL - Primary.....	<del>(\$0.000726)</del>	<del>(\$0.000774)</del>
	<del>(\$0.000594)</del>	<del>(\$0.000633)</del>
HTS - Subtransmission.....	<del>(\$0.000733)</del>	<del>(\$0.000782)</del>
	<del>(\$0.000611)</del>	<del>(\$0.000651)</del>
HTS – High Voltage & HTS - Transmission.....	<del>(\$0.000311)</del>	<del>(\$0.000332)</del>
	<del>(\$0.000277)</del>	<del>(\$0.000295)</del>
BPL.....	(\$0.000000)	(\$0.000000)
BPL-POF.....	<del>(\$0.001729)</del>	<del>(\$0.001844)</del>
	<del>(\$0.001455)</del>	<del>(\$0.001551)</del>
PSAL.....	(\$0.000000)	(\$0.000000)

**Tax Adjustment Credit**

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

Date of Issue:

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

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

Effective:

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

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

**TAX ADJUSTMENT CREDIT**

<u>Rate Schedule</u>	<u>Charge per Therm</u>	<u>Charge per Therm Including SUT</u>
RSG.....	<del>(\$0.060650)</del>	<del>(\$0.064668)</del>
	<del>(\$0.082962)</del>	<del>(\$0.088458)</del>
GSG.....	<del>(\$0.050734)</del>	<del>(\$0.054095)</del>
	<del>(\$0.068844)</del>	<del>(\$0.073405)</del>
LVG.....	<del>(\$0.023609)</del>	<del>(\$0.025173)</del>
	<del>(\$0.034494)</del>	<del>(\$0.036779)</del>
SLG.....	<del>(\$0.094881)</del>	<del>(\$0.101167)</del>
	<del>(\$0.129361)</del>	<del>(\$0.137931)</del>
TSG-F.....	<del>(\$0.018498)</del>	<del>(\$0.019723)</del>
	<del>(\$0.027273)</del>	<del>(\$0.029080)</del>
TSG-NF.....	<del>(\$0.006487)</del>	<del>(\$0.006917)</del>
	<del>(\$0.010330)</del>	<del>(\$0.011014)</del>
CIG.....	<del>(\$0.007753)</del>	<del>(\$0.008267)</del>
	<del>(\$0.014840)</del>	<del>(\$0.015823)</del>
CSG.....	<del>(\$0.000846)</del>	<del>(\$0.000902)</del>
	<del>(\$0.001073)</del>	<del>(\$0.001144)</del>

**Tax Adjustment Credit**

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

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 69**

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

**Superseding**

**XXX Revised Sheet No. 69**

**TAX ADJUSTMENT CREDIT**

<u>Rate Schedule</u>	<u>Charge per kilowatt-hour</u>	<u>Charge per kilowatt-hour including SUT</u>
RS.....	(\$0.007087)	(\$0.007557)
RHS.....	(\$0.008028)	(\$0.008560)
RLM.....	(\$0.006023)	(\$0.006422)
WH.....	(\$0.000000)	(\$0.000000)
WHS.....	(\$0.000000)	(\$0.000000)
HS.....	(\$0.003590)	(\$0.003828)
GLP.....	(\$0.002027)	(\$0.002161)
LPL - Secondary.....	(\$0.001195)	(\$0.001274)
LPL - Primary.....	(\$0.000726)	(\$0.000774)
HTS - Subtransmission.....	(\$0.000733)	(\$0.000782)
HTS – High Voltage & HTS - Transmission.....	(\$0.000311)	(\$0.000332)
BPL.....	(\$0.000000)	(\$0.000000)
BPL-POF.....	(\$0.001729)	(\$0.001844)
PSAL.....	(\$0.000000)	(\$0.000000)

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in Docket No.

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 51  
Superseding**

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

**XXX Revised Sheet No. 51**

**TAX ADJUSTMENT CREDIT**

<u>Rate Schedule</u>	<u>Charge per Therm</u>	<u>Charge per Therm Including SUT</u>
RSG.....	(\$0.060650)	(\$0.064668)
GSG.....	(\$0.050734)	(\$0.054095)
LVG.....	(\$0.023609)	(\$0.025173)
SLG.....	(\$0.094881)	(\$0.101167)
TSG-F.....	(\$0.018498)	(\$0.019723)
TSG-NF.....	(\$0.006487)	(\$0.006917)
CIG.....	(\$0.007753)	(\$0.008267)
CSG.....	(\$0.000846)	(\$0.000902)

**Tax Adjustment Credit**

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

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Effective:

## TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

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

<b>Residential Electric Service</b>					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
185	1,732	\$374.12	\$371.76	(\$2.36)	(0.63)%
370	3,464	688.88	684.20	(4.68)	(0.68)
740	6,920	1,324.60	1,315.24	(9.36)	(0.71)
803	7,800	1,487.32	1,476.69	(10.63)	(0.71)
1,337	12,500	2,371.28	2,354.28	(17.00)	(0.72)

- (1) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect June 1, 2021 and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes the proposed change in the TAC.

<b>Residential Electric Service</b>					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,732	185	\$39.03	\$38.78	(\$0.25)	(0.64)%
3,464	370	73.14	72.63	(0.51)	(0.70)
6,920	740	143.23	142.23	(1.00)	(0.70)
7,800	803	155.70	154.61	(1.09)	(0.70)
12,500	1,337	261.44	259.63	(1.81)	(0.69)

- (3) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect June 1, 2021 and assumes that the customer receives BGS-RSCP service from Public Service.
- (4) Same as (3) except includes proposed change in the TAC.

## TYPICAL RESIDENTIAL GAS BILL IMPACTS

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

<b>Residential Gas Service</b>					
If Your Monthly Winter Therm Use Is:	And Your Annual Therm Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
25	170	\$230.48	\$234.52	\$4.04	1.75%
50	340	357.80	365.88	8.08	2.26
100	610	568.00	582.50	14.50	2.55
159	1,000	869.99	893.78	23.79	2.73
172	1,040	895.42	920.14	24.72	2.76
200	1,210	1,024.66	1,053.46	28.80	2.81
300	1,816	1,486.12	1,529.32	43.20	2.91

- (1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect June 1, 2021 and assumes that the customer receives commodity service from Public Service.  
 (2) Same as (1) except includes the proposed change in the TAC.

<b>Residential Gas Service</b>					
If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
170	25	\$27.77	\$28.36	\$0.59	2.12%
340	50	46.95	48.14	1.19	2.53
610	100	86.18	88.56	2.38	2.76
1,040	172	142.06	146.15	4.09	2.88
1,210	200	163.76	168.52	4.76	2.91
1,816	300	241.32	248.46	7.14	2.96

- (3) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect June 1, 2021 and assumes that the customer receives commodity service from Public Service.  
 (4) Same as (3) except includes proposed change in the TAC.