



Agenda Date: 4/16/09
Agenda Item: 2A

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PROCEEDING)	DECISION AND ORDER
FOR INFRASTRUCTURE INVESTMENT)	APPROVING STIPULATION
AND A COST RECOVERY MECHANISM)	
FOR ALL GAS AND ELECTRIC UTILITIES)	DOCKET NO. EO09010049
IN THE MATTER OF THE PETITION)	
OF PUBLIC SERVICE ELECTRIC & GAS)	
COMPANY FOR APPROVAL OF A CAPITAL)	
ECONOMIC STIMULUS INFRASTRUCTURE)	DOCKET NO. GO09010050
INVESTMENT PROGRAM AND AN)	
ASSOCIATED COST RECOVERY)	
MECHANISM PURSUANT TO <u>N.J.S.A. 48:2-21</u>)	
AND 48:21.1)	

(SERVICE LIST ATTACHED)

BY THE BOARD:

Background:

On October 16, 2008 in response to the worldwide economic downturn and seeking to mitigate its effects on New Jersey, Governor Jon Corzine announced plans to provide immediate assistance for New Jersey residents and long term economic growth options through an "Economic Stimulus Plan." Governor Corzine called on the New Jersey Board of Public Utilities ("BPU" or "Board") and the State's public utilities to aid in that plan by implementing the policy changes to be proposed in the State's Energy Master Plan ("EMP").

The EMP, issued on October 22, 2008, is the roadmap to guide the State toward a responsible energy future with adequate, reliable energy supplies that are both environmentally responsible and competitively priced¹. Under the EMP, major goals for New Jersey include maximizing energy conservation and energy efficiency, and reducing energy consumption by at least 20% by 2020. The EMP also calls for upgrading energy infrastructure to ensure the continued reliability of energy supply, support increased energy efficiency, renewable energy, and reductions in peak demand.² Public utility involvement, along with competition in the renewable energy, conservation and energy efficiency industries are essential to meeting the goals of the EMP. The Governor, together with Board President Jeanne M. Fox, encouraged New Jersey's electric and gas utilities to formulate plans for enhanced investments in infrastructure improvements during 2009. Implementation of such plans would accelerate the current schedule of the electric and gas utilities for planned capital improvements and investments, thereby creating jobs and stimulating the State's economy.

New Jersey's gas and electric utilities responded by filing petitions outlining each utility's proposed projects, and seeking the Board's approval of accelerated investments in utility infrastructure. In reviewing the utilities' petitions, the Board seeks to ensure not only that the proposals further the EMP, but also create jobs to strengthen the local economy.

By Order dated January 29, 2009, the Board determined that these petitions should be retained by the Board for review and hearing, and, as authorized by N.J.S.A. 48:2-32, designated President Fox as the presiding officer.³

Procedural History:

Public Service Electric and Gas Company ("Public Service" or the "Company") filed a petition ("Petition") on January 21, 2009, requesting that the Board approve a Capital Infrastructure Investment Program ("Infrastructure Program") pursuant to N.J.S.A. 48:2-21.1 et seq. and simultaneously approve the recovery of costs for projects included within its proposed Infrastructure Program through the implementation of electric and gas Capital Adjustment Mechanisms ("CAMs") and Associated Capital Adjustment Charges ("CACs"). The Company supplemented its Petition with a supplemental filing on February 4, 2009.

In its Petition, the Company states that as part of its ordinary capital spending planning cycle, Public Service continuously plans for the replacement, reinforcement and expansion of its infrastructure, including its property, plant, facilities and equipment, to maintain the reliability of its electric and gas distribution system and to ensure the continuation of safe, adequate, proper service and the conservation and preservation of the environment. Public Service has recently determined, however, to increase its planned electric and gas infrastructure capital spending at this time to enhance the reliability of its system and to support economic development and job growth in New Jersey.

¹ For the full text of the EMP, see www.nj.gov/emp.

² EMP at 75.

³ In anticipation of the filings by the utilities, the Board assigned a generic docket number to facilitate the individual utility proceedings, i.e. BPU Docket No. EO09010049, as noted above.

In its Petition, Public Service proposed 44 projects for inclusion in the Infrastructure Program, seeking to recover the costs of its proposed projects through the CACs.

On February 11, 2009, the New Jersey Large Energy Users Coalition (“NJLEUC”) filed a Motion to Intervene in this proceeding. The Motion was unopposed, and on February 25, 2009, was granted.⁴

Public notice was provided by publication in newspapers in general circulation in the Company’s service territory, and six public hearings on the Infrastructure Program filing were held on the following dates at three locations in Public Service’s service territory: two hearings on March 5, 2009, in Mt. Holly, New Jersey; two hearings on March 9, 2009, in Hackensack, New Jersey; and two hearings on March 11, 2009, in New Brunswick, New Jersey. A total of eleven members of the public appeared at the public hearings.

Discovery questions in this matter were propounded by Board Staff and Rate Counsel, and the Company responded to them.

Subsequent to the completion and review of discovery and the six public hearings, representatives of Public Service, Board Staff, Rate Counsel, and NJLEUC met to discuss the issues in this case. The Company, Rate Counsel and Board Staff (the “Parties”) agreed that the Infrastructure Program proposal and associated cost recovery mechanism as modified are reasonable and in the public interest. The attached stipulation with appendices (collectively, the “Stipulation”) describes the terms and conditions of the Company’s Infrastructure Program, and resolves all issues in this proceeding.⁵

In this Order, the Board considers the proposed Stipulation, with key provisions described below.

The Proposed Stipulation⁶

Qualifying Projects

The Company represents that the 38 projects identified in Appendix A (“Qualifying Projects” or “QP”) will assist the Company in providing safe, adequate and proper service to its customers; are incremental in nature, and will create jobs in support of the Governor’s Economic Stimulus Plan. Based on these representations, the Parties agreed that the projects appear to be prudent and consistent with the Governor’s Economic Stimulus Plan and that the costs associated with the Qualifying Projects may be recovered through the implementation of electric and gas CACs subject to review, as set forth below. Appendix A of the Stipulation contains a detailed description of each Qualifying Project, the projected annual and aggregate cost for each Qualifying Project, the estimated number of jobs created as a result of each Qualifying Project, and the projected timeline and completion date for each Qualifying Project.

⁴ By order dated March 6, 2009, Bluewater Wind LLC was granted intervenor status, but did not actively participate in the proceedings.

⁵ NJLEUC did not sign the Stipulation but submitted a letter (attached to the Stipulation) indicating that it does not formally support or oppose the settlement.

⁶ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

The Company anticipates that the design and construction work associated with the Qualifying Projects will generate approximately 933 incremental jobs in its service territory. The Company agreed that it will endeavor to employ contractors and engineering firms located in New Jersey. The Company maintains that its estimate of the workforce necessary for the Qualifying Projects does not include any ancillary job impacts that will increase the overall benefits generated from the Qualifying Projects.

It has been agreed by the Parties that work associated with the Qualifying Projects will commence concurrent with the effective date of the CACs upon receipt of a written Board Order in this proceeding, and will reflect the estimated construction start and completion dates in Appendix A attached to the Stipulation.

The Parties stipulated that the Board should approve on an interim basis, subject to refund, cost recovery through the implementation of electric and gas CACs for the 38 Qualifying Projects listed in Appendix A, totaling \$694 million, subject to a prudency review in the Company's next base rate case.

According to the Stipulation, if it is necessary for the Company to eliminate or substitute another project for any of the Qualifying Projects during the term of its Infrastructure Program, notice of any such changes and an opportunity for review and comment shall be provided to the Parties, and any substitutions shall only be made with Board approval. Before seeking such approval, the Company will consult with the Parties to the Stipulation, and seek their consent to the modifications.

Cost Recovery Mechanism

The Parties have stipulated that the revenue requirements recovered through the electric and gas CACs will be calculated to include a return on investment and a return of investment through depreciation, which investment will include capitalized costs related to the Qualifying Projects. The parties agreed that the calculation will use the depreciation rates and methodologies in effect for both electric and gas as approved in the Company's most recent electric and gas distribution base rate cases. The Parties further stipulated that this calculation will use the overall cost of capital utilized to set rates in the Company's most recent gas base rate case (BPU Docket No. GR05100845), which was 7.9591%, (11.3092% on a pre-tax basis) based on a return on equity of 10.0%. The Parties stipulated that the initial revenue requirements and resulting electric and gas CACs will be calculated utilizing projected cost data subject to annual adjustments. The calculation of the revenue requirement for the purpose of setting the initial CACs is set forth in Appendix B of the Stipulation. The Parties request that the Board set the effective date of the initial CACs as the date of the Board's written Order approving the Stipulation.

The monthly over and under recovery calculation will be based on the actual net revenues recorded under the CACs and the actual revenue requirement for Qualified Projects in each month. The Company's calculation that will be utilized for purposes of the settlement is set forth in Appendix C attached to the Stipulation. The monthly revenue requirement calculation will follow the methodology set forth in Appendix B to the Stipulation, with a generic example of the methodology for the calculation of the monthly over and under recovery shown in Appendix C-1.

The Parties have stipulated that the Company will file an annual petition ("Annual Filing") to adjust its electric and gas CACs on a calendar year basis, with copies provided to the Parties, no later than November 1st of each year which is two months prior to the January 1st proposed date for implementation of the revised CACs. Each Annual Filing will contain a reconciliation of its projected CAC costs and recoveries and actual revenue requirements for the prior period, a forecast of revenue requirements for the upcoming 12-month period, and the items set forth in the minimum filing requirements of Appendix D to the Stipulation. The Company agrees that it will not seek to recover, through the electric and gas CAMs, operation and maintenance ("O&M") expenses from the Qualifying Projects in its future Annual Filings other than the O&M expenses identified in Appendix B.

According to the Stipulation, the monthly interest rate on net over and under recoveries shall be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month. If both commercial paper and bank credit lines have been utilized the weighted average of both sources of capital shall be used. In the event that neither commercial paper nor bank credit lines were utilized in the preceding month, the last calculated rate will be used. The interest rate shall not exceed PSE&G's overall rate of return as authorized by the Board in PSE&G's most recent base rate case as identified in Paragraph 15 of the Stipulation. The interest amount charged to the CAC balances will be computed using the following methodology set forth in Appendix C of the Stipulation. The calculation of monthly interest shall be based on the net of tax average monthly balance, consistent with the methodology set forth in Appendix C. Simple interest shall accrue on any under and over recovered balance and shall be included in the deferred electric and gas CAC balance at the end of each reconciliation period. The true-up calculation of over- and under- recoveries shall be included in the Company's Annual Filing. The data on Qualifying Projects and the associated investment costs included in the Annual Filing, as well as the level of the proposed CACs for the ensuing annual period, will be subject to review by the Parties, with opportunity for discovery and filed comments after public notice and public hearings, if required, prior to the issuance of a Board Order establishing the Company's revised CACs.

Base Rate Case Requirement

The Parties stipulated that the Company shall file a base rate petition between April 3, 2009 and April 1, 2011. The Parties further stipulated that, in the context of that base rate case, all of the Qualifying Projects will be subject to a full and thorough examination. The Parties further stipulated that, if required, full evidentiary hearings concerning Qualifying Projects will take place in that base rate case proceeding. In any such prudency review, the record of this proceeding, including the Stipulation and all discovery, shall be fully incorporated and considered.

The Parties have further stipulated that, during the Company's base rate case referenced in Paragraph 21 of the Stipulation, the net amounts capitalized for the Qualifying Projects, deemed to be reasonable and prudent, will be rolled into the Company's rate base and the associated revenue requirements will be recovered through base rates. CAC charges will be recalculated as described in paragraph 18 of the Stipulation. Any Qualifying Project expenditures and CAC charges not included in base rates at the conclusion of the required base rate case will be included in the recalculated CAC. Six months prior to the anticipated completion of all of the Qualifying Projects, the base rates established under paragraph 21 will be reopened for the sole purpose of considering base rate increases for electric and gas related to the inclusion in rate base of the net amounts capitalized for the remaining Qualifying

Projects. After all of the actual net amounts capitalized for all of the remaining qualifying projects are moved into rate base and base rate revenues are increased, the electric and gas CAC rates and tariffs will be recalculated to bring the balance to zero.

Minimum Filing Requirements (“MFRs”)

According to the terms of the Stipulation, the Company will provide the information set forth in the MFR attached as Appendix D and made a part of the Stipulation, in its Annual Filing and as part of its required base rate case filing. The Company will also provide in each filing a detailed description, along with corresponding plant accounts, of the expenditures that are reflected in each blanket project in Appendix A, together with measurable parameters, such as line-feet installed or number of installations completed, associated with each blanket project.

Rate Design

The Parties have stipulated that as an interim measure, PSE&G will recover the revenue requirements associated with the Infrastructure Program through the CAM. The Company’s monthly revenue requirements associated with the Program would be subject to deferred accounting and would be recovered through two new CAMs, one for electric and one for gas. For the electric CAM, each electric rate schedule base rate distribution charge, including the Service Charge, Distribution Kilowatt Charge, Distribution Kilowatt-hour Charge (excluding TEFA tax) and Base Rate Distribution Kilowatt-hour Adjustment Charge has an associated unique CAC. Each electric CAC is an equal percentage of the corresponding base rate charge. This equal percentage is called the Capital Adjustment Factor (“CAF”). The CAF used to develop the CACs is determined so that the resultant sum of each CAC multiplied by its corresponding annual forecasted units results in the revenue requirements of the Infrastructure Program for each annual period.

The gas CAM is calculated in a similar manner to the electric CAM. The application of the CAM to gas is somewhat more complex due to the re-distribution of certain revenue consistent with the methodology approved for rate design in the last gas base rate case, resulting in a unique gas CAC for each gas rate schedule base rate charge. There are also unique gas CACs associated with the MAC as well as BGSS-RSG and BGSS-Firm charges. Appendix B of the attached Stipulation shows the calculation of the initial electric and gas CAC charges. Appendix G contains the tariff sheets with initial CACs.

Rate Impact

The first year’s annual impacts to the typical residential electric customer using 6,960 kilowatt-hours per year and the residential gas heating customer using 1,210 therms per year are 0.15% and 0.38%, respectively. The maximum impact to overall annual electric and gas rates is projected to occur in the third annual period of the Infrastructure Program, with 0.82% for both electric and gas. Additional rate impact information, including dollar impacts, is provided in more detail in Appendix E.

Quarterly Reporting

Under the terms of the Stipulation, the Company will provide the Parties with a quarterly report ("Quarterly Report"), detailing the capital expenditures individually for each of the Qualifying Projects identified in Appendix A, and the job growth resulting from the implementation of each Qualifying Project on a quarterly basis, in the format attached as Appendix F. The Quarterly Report should also include a Gantt chart showing the status of the projects, tasks completed, percentage of projects completed, and the actual money spent to date, as well as planned/budgeted capital expenditures for non-Qualifying Projects for comparison to the actual costs incurred for non-Qualifying Projects. This reporting will begin thirty days after the end of the first calendar quarter following the issuance of a written Board Order approving the Stipulation in this proceeding. For example, assuming a written Final Board Order is issued in April 2009, reporting will begin on August 1, 2009.

The Company has agreed to report the number of incremental contractor or other positions associated with the Qualifying Projects, consistent with the definition of a Full-Time Equivalent in Paragraph 28 of the Stipulation. The Company will include that information with each Quarterly Report and Annual Filing submitted to the Board Staff and Rate Counsel, in the format set forth in Appendix F of the Stipulation.

Calculation of Jobs Created

The Parties have agreed that job creation is an integral part of the Economic Stimulus Plan underlying the Qualified Projects. For purposes of reporting jobs associated with the Qualifying Projects, the Company will define a Full-Time Equivalent ("FTE") job as 1,820 hours per year.

Government Funding

On February 17, 2009, the Federal American Recovery and Reinvestment Act of 2009 ("ARRA") (Pub. L. No. 111-5) was signed into law by President Barack Obama. Subject to any restrictions set forth in the ARRA and other applicable law, if the Company gets federal funds or credits through the ARRA, the Company has agreed to utilize that money to offset the Qualifying Projects. If funding or credits from the ARRA or any subsequent state or federal action becomes available to the Company through the State of New Jersey, a County or Municipality project reimbursement, the Company has agreed that any such funds or credits directly applicable to work related to the Qualifying Projects will be used to benefit customers by offsetting the costs for which recovery will be sought to the extent permitted by law.

Discussion and Findings

The Board recognizes that the acceleration of utility infrastructure projects and the treatment of capital expenses on an expedited schedule outside the purview of a rate case is not part of the normal course of utility regulation. However, these are not ordinary times.

In his address to the Legislature on October 16, 2008, the Governor called upon the Board to help facilitate job growth and assist in New Jersey's economic stimulus program. The Board, in turn, called upon the State's public utilities to formulate plans for enhanced investments in infrastructure that would both increase reliability and promote employment.

The Board takes notice of the fact that the financial markets remain volatile, affecting the utilities' ability to fund incremental infrastructure projects within the usual framework which requires that capital expenditures be recovered through a rate case only after projects are completed. N.J.S.A. 48:2-21. It is within a rate case that the property that is used and useful in the utility's provision of service is evaluated, and the expenses that can become components of just and reasonable rates are determined. In re Investigation of Tele. Cos., 66 N.J. 476 (1975). These difficult economic times require creative responses that respect the law but adapt to extraordinary circumstances. In the past, the Board has found that it has the power to act to meet such challenges. N.J.S.A. 48:2-13; In re Implementation of the Two Bridges/Ramapo Water Diversion Project, BPU Docket No. 8011-870 (March 17, 1981). The Board continues to have that power.

Looking generally at all of the infrastructure settlements before the Board, and at Public Service's in particular, the Board FINDS that the infrastructure programs reviewed today, if successfully executed, will both increase employment in the State and reliability of the utilities' distribution systems. Only capital projects which enhance the reliability, safety and security of each utility's distribution system are eligible under these programs as Qualifying Projects. These are projects originally scheduled for future years which can be brought forward into the 2009-2010 time period because they have already been researched and planned by the companies. In the absence of this program, most of the projects would be completed, but only in future years.

In identifying projects to be included in their infrastructure programs, projects using New Jersey-based employees were strongly favored; in contrast, projects not expected to affect employment in New Jersey, such as replacement of vehicles or computers, were eliminated from utility proposals. Projects without an obvious benefit to justify their costs were excluded as well.

Staff engineers reviewed the projects proposed by the utilities to establish that the projects would make the distribution systems more reliable, safer, or more secure, or would provide a combination of these benefits. Rate Counsel also conducted its own review, with substantial input from contracted professional consultants. Based on its review of the information provided, the Board is satisfied that the projects will positively contribute to the reliability, safety and security of utility service.

In addition to providing positive benefits to the provision of safe, adequate, and proper service, the proposed Qualifying Projects are designed to create direct jobs. Evidence presented to the Board during the overall proceedings indicate that the full impact of the overall accelerated infrastructure programs will create approximately 1,302 direct jobs in the private sector – without the use of additional government funding. The Qualifying Projects associated with this particular Order are expected to generate 933 direct jobs over the next two years, primarily in the construction industry. These are actual incremental private sector jobs which would not be created in the absence of these programs. The companies have provided an initial estimate of the incremental jobs to be created by these projects, and as part of the mandatory reporting requirements, will report the actual jobs created on a quarterly basis. Furthermore, the companies will provide reports on capital spending other than for the Qualifying Projects in order to identify any possible shifting of spending and assure that these are actually new jobs which would not have been created without these programs. Without question, the Board FINDS that the accelerated infrastructure programs will have a significant and real benefit on employment in the State.

The estimate of jobs to be created includes only the direct impact of the proposed projects on employment – the employees working on the utility projects themselves. It does not include the indirect impacts with respect to jobs created in other sectors of the state economy for labor, materials, and services needed for the utility projects. Neither does it include what is known as the “induced” impacts resulting from spending by the added employees for local goods and services. These “ripple” effects are difficult to quantify, but they clearly exist. Rate Counsel’s consultants estimated that an additional 14,100 direct, indirect and induced jobs will be created by the accelerated infrastructure program. The multiplier calculation is based on the RIMS II Regional Input-Output Model, produced by the Bureau of Economic Affairs, US Department of Commerce, and has not been contradicted by any of the evidence provided during these proceedings. The Board therefore FINDS that the overall estimate of 1,302 direct jobs created is a relatively small fraction of the total jobs to be created as a result of the programs that the Board is approving today.

The Board also notes that current economic conditions have reduced commodity and other input costs, making this a propitious time to pursue capital investment on cost-effective terms. For example, the federal Bureau of Labor Statistics stated that the producer price index (“PPI”) for the primary products of iron and steel mills dropped nearly 20% from March 2008 to March 2009; the PPI of iron and steel pipe and tube made from purchased iron and steel dropped nearly 7% over the same period; and the PPI for communication and energy wire and cable manufacturing dropped more than 19%.⁷ The price of iron and steel scrap dropped by nearly half over the same period.⁸ In addition, the prudence of the projects and reasonableness of the amounts actually spent on the projects will be subject to a base rate review – either within a current reopened or to be filed rate case. This review assures that the projects included in this program will receive the same level of scrutiny as any project undertaken by a New Jersey utility where the resulting costs become part of the rate base used to calculate rates.

Likewise, the Stipulations require that each company use the Weighted Average Cost of Capital (“WACC”) determined in its last rate case, which provides significant financial advantages to ratepayers because the cost of debt and common equity have risen substantially in recent months. The companies originally proposed two much less attractive approaches for determining the WACC for use with the stimulus program: (1) the embedded cost of debt currently on the utility’s books plus the cost of equity which the Board awarded to New Jersey Natural Gas Company in its recently completed rate case, i.e., 10.30 percent; or (2) the expected future cost of debt to finance the projects and the expected cost of equity if the Board were making that decision today, possibly as high as 10.50 percent. In rejecting that, and instead negotiating a WACC from each utility’s last base rate proceedings, the Board has ensured a significant saving that further solidifies the foundation of approving these accelerated infrastructure programs.

On a net present value basis, the Board FINDS that the cost of these accelerated infrastructure programs to ratepayers is essentially the same as it would be through conventional ratemaking. In the short term, the cost may be less than under conventional ratemaking because the cost of capital used in the clauses, as discussed above, is somewhat below the current market rate. Therefore, the Board FINDS that these additions

⁷ Bureau of Labor Statistics, “Table 5 - Producer price indexes for the net output of selected industries and their products,” <http://www.bls.gov/ppi/ppitable05.pdf>.

⁸ Bureau of Labor Statistics, “Table 2 - Producer price indexes and percent changes for selected commodity groupings by stage of processing,” <http://www.bls.gov/news.release/ppi.t02.htm>.

to rate base are being financed between program inception and the next base rate case at a more attractive cost from a ratepayer perspective.

The federal stimulus package, enacted as the American Recovery and Reinvestment Act of 2009 ("ARRA 2009"), included funding to enhance energy independence and modernize infrastructure. It does not currently appear that the ARRA 2009 includes funding for the types of projects included in the accelerated infrastructure development programs. Should such funds become available under the ARRA 2009, the Stipulations provide that ARRA 2009 funding would be used to reduce the cost of the accelerated infrastructure development programs to ratepayers. The Board notes that the accelerated infrastructure programs eliminate the lag associated with waiting for ARRA 2009 funding to be available for implementing these projects while still preserving for ratepayers any benefits from ARRA 2009 should benefits become available later.

In summary, the Boards FINDS that the overall infrastructure improvement programs, and the projects proposed by the utilities under them, are reasonable and in the public interest because of the positive impact they are expected to have on the reliability, safety and security of utility service. These infrastructure investment programs are timely given the drop in commodity prices, the attractive cost of capital, and the impact on both direct employment and the positive ripple effect on the New Jersey economy. All of these factors make this an appropriate time to proceed with these programs, which enhance and support Governor Corzine's Economic Stimulus Program.

Turning to the Public Service Stipulation that is under review, the Board FINDS that it meets the tests articulated above. The Company will invest an estimated \$694 million over the next two years creating an estimated 933 direct jobs over that period. The projects, totaling 38 in all, include the replacement of approximately 180 miles of aging cast iron and bare steel mains on the gas side, and replacement of 166 capacitor banks, 40 circuit switchers and 1476 wood poles on the electric side. The accelerated replacement of cast iron main infrastructure is consistent with both state and federal DOT initiatives to improve reliability and enhance the safe operation of the natural gas delivery system in the state. The maximum impact to overall annual electric and gas rates, projected to occur in the third annual period of the Infrastructure Program, is 0.82% for both electric and gas customers.

Accordingly, the Board will, in this case, allow the Company to begin recovery of capital expenses for these Qualifying Projects on an interim basis subject to refund pending the filing of the Company's base rate case as contemplated by Paragraph 21 of the Stipulation. This authorization in no way sets a new framework for future actions; instead, it reflects the realities of today's economic situation.

Therefore, the Board, having reviewed the complete record in this proceeding including the attached Stipulation, HEREBY FINDS the Stipulation to be reasonable, in the public interest, and in accordance with law and HEREBY APPROVES the attached Stipulation in its entirety and HEREBY INCORPORATES its terms and conditions as though fully set forth herein.

Furthermore, the Board HEREBY DIRECTS the Company to commence the design and construction of the Qualifying Projects identified in Appendix A of the attached Stipulation; and FURTHER DIRECTS the Company to file its first annual cost recovery filing no later than November 1, 2009, all as more fully set forth in the Stipulation.

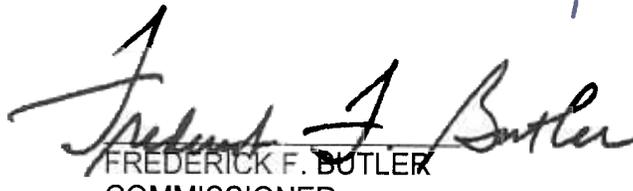
The Board HEREBY SETS the effective date of the initial CACs as the date of this Order written below. Finally, the Board HEREBY RATIFIES all provisional ruling by President Fox for the reasons stated in her Orders.

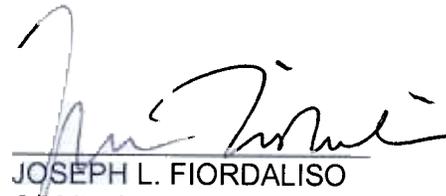
The Company's base rates will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

DATED: 4/28/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER

DISSENT OF COMMISSIONER ELIZABETH RANDALL

These five (5) requests were filed by the utilities in response to Governor Corzine's October 16, 2008 proposal to help revive the State's economy through the acceleration of capital spending projects. In his speech to the New Jersey Legislature on October 16, 2008, the Governor said:

"First and most practically, I have instructed all Commissioners, most particularly the Commissioners and Directors of the Department of Transportation, New Jersey Transit, the Toll Authorities, the Schools Development Authority, the Board of Public Utilities and the Department of Environmental Protection, to accelerate where feasible all currently funded spending projects."

Although not "currently funded," the utilities are asking the Board to fund these improvements with rate increases which will take effect no later than May 1, 2009. It is my opinion that the projected economic stimulus from these petitions is not sufficient to justify the cost to New Jersey customers.

As discussed below, my decision is based upon two factors: (1) the unprecedented infusion to the State of New Jersey of an anticipated \$17.5 billion in federal stimulus monies pursuant to the American Reinvestment Recovery Act (ARRA), and (2) the comparatively small number of new jobs which would be created under these proposals relative to the total cost to New Jersey utility customers.⁹

On February 17, 2009, President Obama signed the ARRA which will inject \$787 billion into the U.S. economy. New Jersey is expected to receive \$17.5 billion.¹⁰ An additional \$240 billion will be available in tax benefits and competitive grants, of which New Jersey hopes to receive \$7.2 billion, bringing New Jersey's total of anticipated federal stimulus dollars to \$24.7 billion.

Based on estimates from the White House, these dollars will create or save 100,000 New Jersey jobs over the next two years.¹¹

⁹ The five (5) stipulations indicate the following costs and projected new jobs:

<u>Utility</u>	<u>Projected Cost</u>	<u>Projected Jobs</u>	<u>Customers</u>
NJNG Co.	\$70.8 Million	75 – 100	485,000
PSE&G Co.	\$694.0 Million	933	2.1M Elec./1.7M Gas
SJG Co.	\$103.0 Million	127	335,000
Elizabethtown Gas Co.	\$60.4 Million	65	274,000
Atlantic City Electric Co.	\$27.6 Million	92	544,000
TOTALS	\$955.8 Million	1292-1317	5,438,000

¹⁰ See <http://www.recovery.nj.gov>

¹¹ See <http://www.recovery.nj.gov>

Some four months before President Obama signed the federal stimulus bill, Governor Corzine addressed the New Jersey Legislature and proposed a New Jersey Economic Assistance and Recovery Plan.

The five matters before the Board are a direct result of the call to identify job-creation proposals. Specifically, the Executive branch sought company-specific program proposals with associated cost recovery and rate mechanisms, broken down into the following categories:

1. Infrastructure programs that will effectively spur an increase in construction employment, while increasing the reliability of the electric and gas distribution system.
2. Infrastructure programs that will improve energy efficiency of the electric or gas distribution system.
3. Statewide energy efficiency programs scaled down from the menu of programs submitted by the energy utilities.

Collectively, these five utilities seek permission to spend \$955.8 Million (See Footnote 9), all of which will be recovered from customers through increases in utility rates.¹² The language used to describe the method of cost-recovery varies from utility to utility, with one company proposing an "Economic Stimulus Surcharge," and another calling it an "Infrastructure Investment Surcharge."

Terminology aside, while it is true that customers will benefit from these infrastructure investments, it is equally true that these improvements do not need to be completed within the next 24 months. None of the filings indicates that the delivery of safe and adequate service will be at risk if these requests are denied. Indeed, the petitions are replete with references to ongoing capital projects which are already planned and which will be funded by ratepayers.¹³

The number of new jobs to be created through approval of the accelerated projects is estimated at 1292-1317. Given the cost which customers will bear, I am persuaded that the cost of this job creation is too high. While it is true that the average bill will not go up by more than 1%, this amount will remain as part of the customer's bill for as long as it takes to repay the funds being borrowed by the utilities, which is approximately forty years.

Moreover, while some New Jerseyans would be put to work, there is no guarantee that the construction and engineering jobs created by these projects would go to companies based in

¹² Also recoverable from customers is a profit for each company. In these cases, the utilities will make a profit of approximately 10%.

¹³ Illustrative of this point is paragraph 14 of the Stipulation with New Jersey Natural Gas Company (NJNG) which refers to ongoing infrastructure costs unrelated to this matter and states: "14. NJNG's current capital budgets contemplate the following levels of capital expenditures for non-qualifying projects: \$64,563,000 in fiscal year 2009, \$51,985,000 in fiscal year 2010 and \$51,951,000 in fiscal year 2011. NJNG represents that the expenditures related to the qualifying projects will be incremental to such planned levels of expenditures for 2009, 2010 and 2011."

New Jersey.¹⁴ Regardless, the jobs created will be temporary in nature, and do not reflect permanent job creation with the utility companies.

Contrast the efficiency of the BPU's job-creation effort with one recently announced by the Governor and the New Jersey Department of Transportation.

For a cost of \$67 million and a promise of 500 jobs, a bridge upgrade will be done on Route 46 in Bergen County. Moreover, federal funds from the American Recovery and Reinvestment Act will pay for \$47.6 million of this project, leaving New Jersey taxpayers paying only \$19.4 million for 500 jobs.

In sum, the promise and benefits of the federal stimulus program are extraordinary. Were it not for the federal money, we would need to rely on New Jersey taxpayers and ratepayers to shoulder the burden of job creation through increased taxes and rates. Fortunately, this burden need not be increased at this time.


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


CARMEN D. DIAZ
ACTING SECRETARY

¹⁴ Each of the stipulations simply states that the utilities will “endeavor to employ contractors and engineering firms located in New Jersey.”

Frances I. Sundheim
Vice President and Corporate Rate Counsel

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April 9, 2009

In the Matter of the Petition of
Public Service Electric and Gas Company
For Approval of A Capital Economic Stimulus
Infrastructure Investment Program And An
Associated Cost Recovery Mechanism Pursuant
to N.J.S.A. 48:2-21 and 48:21.1

BPU Docket No. EO09010050

VIA ELECTRONIC, HAND-DELIVERY & REGULAR MAIL

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

Dear Secretary Izzo:

Enclosed please find an original and ten copies of a Stipulation of Settlement (Stipulation) in the above referenced matter. The Stipulation was executed by Public Service Electric and Gas Company (Public Service), Board of Public Utilities (Board) Staff and the Department of Public Advocate, Division of Rate Counsel. Public Service respectfully requests that this Stipulation be scheduled for consideration and decision at the Board's Special Agenda Meeting currently scheduled for April 16, 2009.

Respectfully,
Original Signed by
Frances I. Sundheim, Esq.

Attachment
C Service List

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CAPITAL INFRASTRUCTURE INVESTMENT PROGRAM
BPU DOCKET NO. EO09010050**

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

**IN THE MATTER OF PROCEEDING FOR
INFRASTRUCTURE INVESTMENT AND A
COST RECOVERY MECHANISM FOR
ALL ELECTRIC & GAS UTILITIES**

BPU DOCKET NO. EO09010049

**IN THE MATTER OF PROCEEDING FOR
INFRASTRUCTURE INVESTMENT AND A
COST RECOVERY MECHANISM FOR
PUBLIC SERVICE ELECTRIC AND GAS
COMPANY**

BPU DOCKET NO. EO09010050

STIPULATION

APPEARANCES:

Frances I. Sundheim, Esq., for the Petitioner, Public Service Electric and Gas Company

Stefanie A. Brand, Esq., Director, Department of the Public Advocate, Division of Rate Counsel (**Ronald K. Chen, Esq.**, Public Advocate)

Caroline Vachier, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Anne Milgram**, Attorney General of New Jersey)

Steven Goldenberg, Esq., for the Intervenor, New Jersey Large Energy Users Coalition

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. Public Service Electric and Gas Company (“Public Service” or the “Company”) filed a petition (“Petition”) in Docket No. EO09010050 on January 21, 2009, requesting that the New Jersey Board of Public Utilities (“BPU” or the “Board”) approve a Capital Infrastructure

Investment Program (“Infrastructure Program”) pursuant to N.J.S.A. 48:2-21.1 *et seq.* and simultaneously approve the recovery of costs for projects included within its proposed Infrastructure Program through the implementation of Electric and Gas Capital Adjustment Mechanisms (“CAMs”) and Associated Capital Adjustment Charges (“CACs”). The Company supplemented its Petition with a supplemental filing (“Supplement”) on February 4, 2009.

2. As part of its ordinary capital spending planning cycle, Public Service continuously plans for the replacement, reinforcement and expansion of its infrastructure, including its property, plant, facilities and equipment, to maintain the reliability of its electric and gas distribution system and to ensure the continuation of safe, adequate, proper service and the conservation and preservation of the environment. Public Service has recently determined, however, to increase its planned electric and gas infrastructure capital spending at this time, to enhance the reliability of its system and to support economic development and job growth in New Jersey.

3. Public Service proposed 44 projects for inclusion in its Infrastructure Program seeking to recover the cost of its proposed projects through the CACs.

4. On January 29, 2009, the Board issued an Order retaining this matter for consideration and designated BPU President Jeanne M. Fox as the presiding officer.¹ On February 2, 2009, the Board issued an Order setting forth a procedural schedule for this matter.

5. Public Notice was provided and six public hearings on the Company’s Infrastructure Program filing were held on the following dates at three locations in Public

¹ In anticipation of the filings by the utilities, the Board assigned a generic docket number, EO09100049, to facilitate the issuance of procedural orders.

Service's service territory: two hearings on March 5, 2009, in Mt. Holly, New Jersey; two hearings on March 9, 2009, in Hackensack, New Jersey; and two hearings on March 11, 2009, in New Brunswick, New Jersey. A total of 11 (eleven) member(s) of the public appeared at the 6 (six) public hearing(s).

6. Discovery questions in this matter were propounded by Board Staff and Division of Rate Counsel ("Rate Counsel,") and the Company responded thereto.

7. Subsequent to the completion and review of discovery and the six public hearings, representatives of Public Service, Board Staff, Rate Counsel, and Intervenor, New Jersey Large Energy Users Coalition (the "Parties"), the only Parties to this proceeding, met to discuss the issues in this case and agreed that the Infrastructure Program proposal and associated cost recovery mechanism, as amended by the Parties and set forth herein, are reasonable and in the public interest.

8. Public Service represents that the Company's proposal, as amended below, is consistent with and meets the goals of the comprehensive Economic Stimulus Plan for New Jersey proposed by Governor Jon Corzine to create new jobs and to stimulate the New Jersey economy. The infrastructure investment projects set forth herein will enhance service, reliability, and energy efficiency and provide for the creation of approximately 933 incremental jobs.

Specifically, the Parties hereby **STIPULATE AND AGREE** to the following.

STIPULATED MATTERS

Projects

9. The Company represents that the 38 projects identified in Appendix A (“Qualifying Projects” or “QP”) will assist the Company in providing safe, adequate and proper service to its customers; are incremental in nature, and will create jobs in support of the Governor’s Economic Stimulus Plan. Based on these representations, the Parties agree that the projects appear to be prudent and consistent with the Governor’s Economic Stimulus Plan and that the costs associated with the Qualifying Projects may be recovered through the implementation of electric and gas CACs subject to review, as set forth below.

10. Appendix A contains a detailed description of each Qualifying Project, the projected annual and aggregate cost for each Qualifying Project, the estimated number of jobs created as a result of each Qualifying Project, and the projected timeline and completion date for each Qualifying Project.

11. The Company anticipates that the design and construction work associated with the Qualifying Projects will generate approximately 933 incremental jobs in its service territory. The Company agrees that it will endeavor to employ contractors and engineering firms located in New Jersey. The Company’s estimate of the workforce necessary for the Qualifying Projects does not include any ancillary job impacts that will increase the overall benefits generated from the Qualifying Projects.

12. The work associated with the Qualifying Projects will commence concurrent with the effective date of the CACs upon receipt of a written Board Order in this proceeding, and will

reflect the estimated construction start and completion dates set forth in Appendix A attached hereto and made a part of this Stipulation.

13. The Parties stipulate that the Board should approve, on an interim basis, subject to refund, cost recovery through the implementation of electric and gas CACs for the 38 Qualifying Projects listed in Appendix A, totaling \$694 million, subject to a prudence review in the Company's next base rate case.

Substitution of Projects

14. If it is necessary for the Company to eliminate or substitute another project for any of the Qualifying Projects during the term of its Infrastructure Program, notice of any such changes and an opportunity for review and comment shall be provided to the Parties, and any substitutions shall only be made with Board approval. Before seeking such approval, the Company will consult with the Parties to this Stipulation, and seek consent to the modifications.

Cost Recovery Mechanism

15. The Parties stipulate that the revenue requirements recovered through the electric and gas CACs will be calculated to include a return on investment and a return of investment through depreciation, which investment will include capitalized costs related to the Qualifying Projects. The parties agree that the calculation will use the depreciation rates and methodologies in effect for both electric and gas as approved in the most recent electric and gas distribution base rate cases. The Parties further stipulate that this calculation will use the overall cost of capital utilized to set rates in the Company's most recent gas base rate case, BPU Docket No.

GR05100845, which was 7.9591%, (11.3092% on a pre-tax basis) based on a return on equity of 10.0%. The Parties stipulate that the initial revenue requirements and resulting electric and gas CACs will be calculated utilizing projected cost data subject to annual adjustments. The calculation of the revenue requirement for the purpose of setting the initial CACs for the period ending December 31, 2009 is set forth in Appendix B attached hereto and made a part of this Stipulation.

16. The Board shall set the effective date of the initial CACs as the date of the Board's written Order approving this Stipulation.

17. The monthly over and under recovery calculation will be based on the actual net revenues recorded under the CACs and the actual revenue requirement for Qualifying Projects in each month. The Company's calculation, that will be utilized for purposes of this Stipulation, is set forth in Appendix C attached hereto and made a part of this Stipulation. The monthly revenue requirement calculation will follow the methodology set forth in Appendix B attached hereto and made a part of this Stipulation.

18. The Parties stipulate that the Company will file an annual petition ("Annual Filing") to adjust its electric and gas CACs, on a calendar basis, with copies provided to the Parties no later than 60 (sixty) days prior to the date proposed for the implementation of the revised CACs, which is January 1 of each year. Each Annual Filing will contain a reconciliation of its projected CAC costs and recoveries and actual revenue requirements for the prior period, a forecast of revenue requirements for the upcoming 12-month period, and the items set forth in the minimum filing requirements ("MFRs") set forth in Appendix D attached hereto and made a

part of this Stipulation. The Company agrees that it will not seek to recover, through the electric and gas CAMs, operation and maintenance (“O&M”) expenses from the Qualifying Projects in its future Annual Filings; however, this provision shall not apply to the O&M expenses identified in Appendix B.

19. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based upon the Company’s interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month. If both commercial paper and bank credit lines have been utilized the weighted average of both sources of capital shall be used. In the event that neither commercial paper nor bank credit lines were utilized in the preceding month, the last calculated rate will be used. The interest rate shall not exceed PSE&G’s overall rate of return as authorized by the Board in PSE&G’s most recent base rate case as identified in Paragraph 15 above. The interest amount charged to the CAC balances will be computed using the following methodology set forth in Appendix C attached hereto and made a part of this Stipulation. The calculation of monthly interest shall be based on the net of tax average monthly balance, consistent with the methodology set forth in Appendix C. Simple interest shall accrue on any under and over recovered balance, and shall be included in the deferred electric and gas CAC balance at the end of each reconciliation period. The true-up calculation of over- and under-recoveries shall be included in the Company’s Annual Filing.

20. The data on Qualifying Projects and the associated investment costs included in the Annual Filing, as well as the level of the proposed CACs for the ensuing annual period, will be subject to review by the Parties, with opportunity for discovery and filed comments prior to

the issuance of a Board Order establishing the Company's revised CACs. The issuance of a written Board Order will be preceded by adequate Public Notice and Public Hearings if required by law.

Base Rate Case Requirement

21. The Parties stipulate that the Company shall file a base rate petition between April 3, 2009 and April 1, 2011. The Parties further stipulate that, in the context of that base rate case, all of the Qualifying Projects will be subject to a full and thorough examination. The Parties further stipulate that, if required, full evidentiary hearings concerning Qualifying Projects will take place in that base rate case proceeding. In any such prudency review, the record of this proceeding, including this Stipulation and all discovery, shall be fully incorporated and considered.

22. The Parties further stipulate that during the Company's base rate case, referenced in Paragraph 21, the net capitalized amounts for the Qualifying Projects that are deemed to be reasonable and prudent, will be rolled into the Company's rate base and the associated revenue requirements will be recovered through base rates. CACs will be recalculated as described in paragraph 18. Any Qualifying Project expenditures and CACs not included in base rates at the conclusion of the required base rate case will be included in the recalculation of CACs based on the methodology set forth in Appendix B. Six months prior to the anticipated completion of all of the Qualifying Projects, the base rate case referenced under paragraph 21 will be reopened for the sole purpose of considering base rate increases for electric and gas related to the inclusion in rate base of the net amounts capitalized for the remaining Qualifying Projects. After all of the

actual net amounts capitalized for all of the remaining Qualifying Projects are moved into rate base and base rate revenues are increased, the electric and gas CAC rates and tariffs will be recalculated to bring the balance to zero over a reasonable period of time and such rates and tariffs will terminate upon reaching a zero balance.

Minimum Filing Requirements

23. The Company will provide the information set forth in the MFR attached hereto as Appendix D and made a part of this Stipulation, in its Annual Filing and as part of its required base rate case filing. The Company will also provide in each filing a detailed description, along with corresponding plant accounts, of the expenditures that are reflected in each blanket project in Appendix A, together with measurable parameters, such as line-feet installed or number of installations completed, associated with each blanket project.

Rate Design

24. The Parties stipulate that as an interim measure, PSE&G will recover the Revenue Requirements associated with this Infrastructure Program through a new rate recovery mechanism called a Capital Adjustment Mechanism (CAM). The Company's monthly revenue requirements associated with the Infrastructure Program would be subject to deferred accounting and would be recovered through two new CAMs, one for electric and one for gas. For the electric CAM, each electric rate schedule base rate Distribution Charge, including the Service Charge, Distribution Kilowatt Charge, Distribution Kilowatt-hour Charge (excluding TEFA tax) and Base Rate Distribution Kilowatt-hour Adjustment Charge has an associated unique Capital

Adjustment Charge. Each electric CAC is an equal percentage of the corresponding base rate charge. This equal percentage is called the Capital Adjustment Factor (CAF). The CAF used to develop the CACs is determined so that the resultant sum of each CAC multiplied by its corresponding annual forecasted units results in the revenue requirements of the Infrastructure Program for each annual period.

The gas CAM is calculated in a similar manner to the electric CAM. The application of the CAM to gas is somewhat more complex due to the re-distribution of certain revenue consistent with the methodology approved for rate design in the last gas base rate case. TSG-NF distribution revenues are flowed back to firm customers via the Margin Adjustment Charge (MAC). Distribution increases applied to TSG-F and CIG rates flow back to firm customers as a reduction in the Non-Gulf Coast Cost of Gas component in their Basic Gas Supply Service (“BGSS”) rate. As a result, while there is a unique gas CAC for each gas rate schedule base rate charge, there are also unique gas CACs associated with the MAC as well as BGSS-RSG and BGSS-Firm charges.

Appendix B shows the calculation of the initial electric and gas CAC charges. Appendix G contains the tariff sheets with initial CACs to be implemented on the date of the Board’s written Order approving this Stipulation.

Rate Impact

25. The first year’s annual impacts to the typical residential electric customer that uses 6,960 kilowatt-hours per year and the residential gas heating customer that uses 1,210 therms per year are 0.15% and 0.38%, respectively. The maximum impact to overall annual

electric and gas rates are projected to occur in the third annual period of the Infrastructure Program, 0.82% for electric and 0.82% for gas. Additional rate impact information, including dollar impacts, is provided in more detail in Appendix E attached hereto and made a part of this Stipulation.

Quarterly Reporting

26. The Parties stipulate that the Company will provide the Parties with a quarterly report (“Quarterly Report,”) detailing the capital expenditures individually for each of the Qualifying Projects identified in Appendix A and the job growth resulting from the implementation of each Qualifying Project on a quarterly basis, in the format attached hereto as Appendix F and made a part of this Stipulation. The Quarterly Report should also include a Gantt chart showing the status of the projects, tasks completed, percentage of projects completed, and the actual money spent to date. Additionally, the Company will include in the Quarterly Report budgeted capital expenditures for non-Qualifying Projects for comparison to the actual costs incurred for non-Qualifying Projects. This reporting will begin 30 (thirty) days after the end of the first calendar quarter following the issuance of a written Board Order approving this Stipulation in this proceeding. For example, assuming a written Board Order is issued in April 2009, reporting will begin on August 1, 2009.

27. The Company agrees to report the number of incremental contractor or other positions associated with the Qualifying Projects, consistent with the definition of a Full-Time Equivalent in Paragraph 28 below. The Company will include that information with each

Quarterly Report and Annual Filing submitted to the Board Staff and Rate Counsel, in the format set forth in Appendix F attached hereto and made a part of this Stipulation.

Calculation of Jobs Created

28. The Parties agree that job creation is an integral part of the Economic Stimulus Plan underlying the Qualifying Projects. For purposes of reporting jobs associated with the Qualifying Projects, the Company will define a Full-Time Equivalent (“FTE”) job as 1,820 hours per year.

Government Funding

29. On February 17, 2009, the federal American Recovery and Reinvestment Act of 2009 (“ARRA”) (Pub. L. No. 111-5) was signed into law by President Barack Obama. Subject to any restrictions set forth in the ARRA and other applicable law, if the Company gets federal funds or credits directly related to the Qualifying Projects through the ARRA, the Company agrees to utilize that money to offset the Qualifying Projects’ costs. If funding or credits from the ARRA or any subsequent state or federal action becomes available to the Company through the State of New Jersey, a County or Municipality for project reimbursement, the Company agrees that any such funds or credits directly applicable to work related to the Qualifying Projects will be used to benefit customers by offsetting the costs for which recovery will be sought to the extent permitted by law.

FURTHER PROVISIONS

30. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event 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.

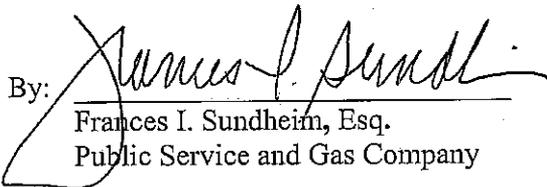
31. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

32. 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 that the Stipulation may be used in the context of the next base rate case contemplated. Except as expressly provided herein, Public Service, the Board, its Staff, the Intervenors, 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 and, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

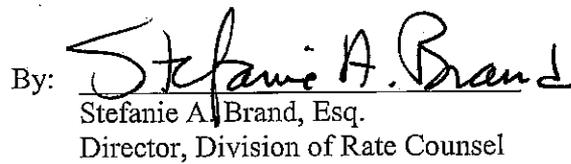
WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

**PUBLIC SERVICE ELECTRIC AND
GAS COMPANY**
PETITIONER

DEPARTMENT OF THE PUBLIC ADVOCATE
RONALD K. CHEN, PUBLIC ADVOCATE
DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR

By: 

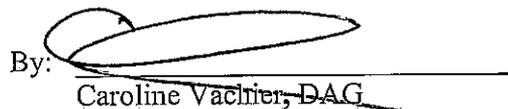
Frances I. Sundheim, Esq.
Public Service and Gas Company

By: 

Stefanie A. Brand, Esq.
Director, Division of Rate Counsel

**STAFF OF THE NEW JERSEY BOARD
OF PUBLIC UTILITIES**
ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

**NEW JERSEY LARGE ENERGY USERS
COALITION**
INTERVENOR

By: 

Caroline Vaclier, DAG

By: _____
Steven Goldenberg, Esq.

Date: April 9, 2009

APPENDIX A

Project	Description
RF Blanket	Blanket provides funding for the replacement of approximately 180 miles of aging cast iron and bare steel gas mains (due to active corrosion or high hazard index), and replacement of approximately 9550 bare steel gas services associated with main replacement. In addition provides funding for replacement of approximately 43 aging and obsolete gas pressure regulators and replacement of M&R equipment including 10 water bath heaters, pressure regulators, ancillary pressure control equipment such as scrubbers, gas chromatograph controllers, electronic measurement systems, and other appurtenances, and instruments at various M&R Station locations.
ER Blanket	Blanket provides funding for the replacement of approximately 9500 bare steel gas services as mandated by the BPU and the 20% rule (NJAC 14:7-1.16 e) "An operator shall replace all bare and coated cathodically unprotected steel service lines within a definable area when records indicate that 20 percent or more of the bare and coated cathodically unprotected steel services within that definable area have exhibited leaks." Accelerated replacement of bare steel services from blocks that are identified during the annual service leakage study.
SR Blanket	Blanket provides funding for the installation of approximately 400 life extending cast iron bell joint encapsulations, a new lbs. to lbs. regulating station to support pressure in the Ewing Twp. area to meet existing loads Also includes the installation of various new reinforcement mains and regulating stations to improve system reliability in areas of the service territory identified by network analysis and actual pressures experienced and to provide secondary feeds into areas of the territory currently supplied by one way feeds. Enhances system reliability and integrity and ensures system pressures remain above design minimums. Upgrade of various M&R station regulators and piping to improve station deliverability and overall capacity improvements that minimize pressure losses during periods of high demand.
SF Facilities	Funds provide for the installation of emergency generators at six M&R Stations.

**Gas Delivery 2009-2011 Capital Plan
Proposed Stimulus Additions**

**Appendix A
Pages 1 through 10**

East Rutherford M&R	Meter & Regulator Station Upgrade to current standards eliminating transco pressure regulation. Install "series" PS regulation with monitor regulators greatly reducing likelihood gas release. Inlet, outlet, and heater replacement.
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Gas Delivery 24 Month Capital Cash Flow and Jobs

Appendix A

(000s)

2009	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
RF Blanket	2,412	2,487	8,611	10,950	11,956	15,116	10,820	12,910	75,262
ER Blanket	228	897	743	950	1,064	1,254	942	1,140	7,218
SR Blanket	90	354	294	375	420	495	372	450	2,850
SF Facilities				100	150				250
East Rutherford M&R	0	50	50	50	50	100	100	700	1,100
Total	2,730	3,788	9,698	12,425	13,640	16,965	12,234	15,200	86,680
2009 O&M	143	339	367	359	402	474	356	431	2,870

(000s)

2010	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
RF Blanket	2,717	2,717	5,410	5,360	10,869	13,637	16,504	15,120	16,504	17,887	13,737	16,554	137,019
ER Blanket	577	577	1,153	1,153	2,306	2,883	2,959	3,171	3,459	3,447	2,883	3,159	27,727
SR Blanket	96	96	192	192	384	480	577	528	577	625	480	577	4,804
SF Facilities				50	100	100							250
East Rutherford M&R	50	50	50	200	300	500	500	500	500	650	400	200	3,900
Total	3,440	3,440	6,805	6,955	13,960	17,600	20,540	19,320	21,040	22,610	17,500	20,490	173,700
2010 O&M	50	50	101	101	202	252	303	278	303	328	252	303	2,525

(000s)

2011	Jan	Feb	Mar	April	Total
RF Blanket	1,026	1,871	2,434	4,288	9,619
ER Blanket	235	711	828	882	2,655
SR Blanket	39	68	88	150	346
SF Facilities	-	-	-	-	0
East Rutherford M&R	0	0	0	0	0
Total	1300	2650	3350	5320	12,620
2011 O&M	40	70	90	50	250

	Jobs	Total
	232	RF Blanket 221,900
	66	ER Blanket 37,600
	10	SR Blanket 8,000
	1	SF Facilities 500
	15	East Rutherford M&R 5,000
Total	324	Total Capital 273,000
		Total O&M 5,645

**Electric Delivery 2009-2011 Capital Plan
Proposed Stimulus Additions**

Item No.	Project	Description
ED-007	Environmental/Regulatory Blanket- D	The Environmental Regulatory Blanket provides funds for indoor substation fire protection system upgrades.
ED-008	Replace Facilities Blanket- D	This portion of the Replace Facilities Blanket provides for refurbishment of underground distribution networks.
ED-008A	Replace Facilities Blanket- D	This portion of the Replace Facilities Blanket provides for minor rebuilding and replacement of Distribution inside and outside plant facilities due to in service failures, preservation of asset function, and customer complaints.
ED-008B	Replace Facilities Blanket- D	This portion of the Replace Facilities Blanket provides for the replacement of an estimated 166 capacitor banks, 40 circuit switchers, 1,476 wood poles, and various metal clad station refurbishments.
ED-009	BUD Cable Replacements	The BUD (Buried Underground Distribution) Cable Replacement Blanket provides for replacement of Distribution outside plant BUD cable facilities due to age, and to preserve asset function and reliability.
ED-010	Delta Star Replacements	The Delta Star Replacement Blanket provides for replacement of Distribution inside plant aging and outdated Delta Star potheads. These funds will help to maintain reliability levels by avoiding 26kV outages.
ED-011	Network Equipment Replacements	The Network Equipment Replacement Program provides for the refurbishment and replacement of Distribution outside plant network protectors, transformers, and relays.
ED-012	26KV Oil Circuit Breaker Replacements	This program addresses the replacement of 26kV Oil Circuit Breakers.
ED-013	Low Pressure Gas Filled Cable Replacements	This funding provides for the replacement of poorly performing Low Pressure Gas Filled (LPGF) cable throughout the underground distribution system with newer more reliable Ethylene Propylene Rubber (EPR) cable.
ED-014	Street Lighting Blanket	This investment request provides for the replacement of aging street lighting and area lighting infrastructure. This work provides continuity of service to PSE&G customers.
ED-018	Adv. Street Lighting Tech. Blanket	This investment request is in support of a program to replace mercury vapor street lights with a new lighting technology called induction fluorescent lighting.

**Electric Delivery 2009-2011 Capital Plan
Proposed Stimulus Additions**

Item No.	Project	Description
ED-020	Ridgefield 9th Feeder	Install the 5th 13kV feeder row and the 9th 13-kV feeder at Ridgefield II Substation and transfer 8 MVA from Leonia Substation to the new feeder to accommodate a changing load profile in the Leonia area.
ED-024	Doremus I - 8th Feeder	Install the Doremus Substation 8th feeder to accommodate changing load profiles at Springfield Rd. Substation and on the feeder loops between Doremus and Springfield Rd.
ED-025	Kilmer II 10th Feeder	Install the Kilmer II Substation 10th 13-kV feeder to accommodate changing load profiles in the Edison-Piscataway-South Plainfield area.
ED-026	Minue St. 11th Feeder	Install the Minue Street Substation 6th feeder row and 11th feeder to accommodate changing load profiles in the Woodbridge-Carteret area.
ED-027	Westfield 9th Feeder	Install the Westfield Substation new feeder row, 13-kV feeder to accommodate changing load profiles in Cranford & Clark townships.
ED-028	Aldene-Schering 26KV Reinforcement	Install two new 26-kV circuits from Aldene to Schering to accommodate changing load profiles in Kenilworth & Union Townships.
ED-029	Warinanco 9th Feeder	Install the Warinanco Substation 5th feeder row and 9th 13-kV circuit to accommodate changing load profiles in the Roselle-Linden-Elizabeth area.
ED-030	Yardville 8th Feeder	Install the Yardville Substation 8th feeder to accommodate changing load profiles in the Hamilton area.
ED-031	Medford 9th Feeder	Install the Medford Substation 5th feeder row and 9th 13-kV circuit to accommodate changing load profiles in the Medford-Marlton area.
ED-032	Penns Neck 15th Feeder	Install the Penns Neck Substation 8th feeder row and 15th 13-kV circuit to accommodate changing load profiles in the Princeton area.
ED-033	Lumberton 9th Feeder	Install the Lumberton Substation 5th feeder row and 9th 13-kV circuit to accommodate changing load profiles in the Lumberton area.
ED-034	East Rutherford Collapsed Duct Line	Install a new manhole and conduit system and reroute a portion of the paired Q-329 circuit around the collapsed duct bank on Erie Ave in East Rutherford.
ED-035	Bergen - Polk Street 26-kv circuit	Install a new 26-kV circuit from Bergen Switching Station to Polk Street Substation to accommodate changing load profiles in the North Bergen and West New York Areas.
ED-036	Maywood 6th Feeder	Install the Maywood Substation 6th 13kV feeder and transfer load to accommodate changing load profiles in the Maywood and New Milford Areas.

**Electric Delivery 2009-2011 Capital Plan
Proposed Stimulus Additions**

Item No.	Project	Description
ED-037	Bayonne Peninsula Unit & Reinforce 26-kv	Install a main line 13-kV loop from Route 440 to the end of the Bayonne Peninsula to accommodate changing load profiles in the Bayonne Area.
ED-038	Waldwick 10th Feeder	Install the Waldwick Substation 10th feeder to accommodate changing load profiles in Waldwick and Ridgewood areas.
ED-039	Liberty State Park Reliability Improvement	Install a 13-kV cable and switches to improve the reliability in Liberty State Park Area.
ED-040	Foundry Street 8th Feeder	Install the Foundry Street Substation 8th feeder to accommodate changing load profiles in the Ironbound section of Newark.
ED-041	Essex - Harrison - Clay Street 26-kv circuit	Install a new 26-kV circuit from Essex Switching Station to Harrison Substation to accommodate changing load profiles in the Newark and Harrison Areas.
ED-042	Trenton Network Monitoring	This project would provide for SCADA (Supervisory Control and Data Acquisition) equipment to each of the network locations and allow the receivers to communicate with our Operations Office in Division Headquarters. This will allow the Operations Department to remotely monitor the configuration and load on the network, manage out-of-configuration situations and proactively take steps to prevent network outages or failures.
ED-043	Paterson Network Monitoring	This project would provide for SCADA (Supervisory Control and Data Acquisition) equipment to each of the network locations and allow the receivers to communicate with our Operations Office in Division Headquarters. This will allow the Operations Department to remotely monitor the configuration and load on the network, manage out-of-configuration situations and proactively take steps to prevent network outages or failures.
ED-044	Newark Network Monitoring	This project would provide for SCADA (Supervisory Control and Data Acquisition) equipment to each of the network locations and allow the receivers to communicate with our Operations Office in Division Headquarters. This will allow the Operations Department to remotely monitor the configuration and load on the network, manage out-of-configuration situations and proactively take steps to prevent network outages or failures.

**Electric Delivery 2009-2011 Capital Plan
Proposed Stimulus Additions**

Item No.	Project	Description
ED-045	New Bruswick Network Monitoring	This project would provide for SCADA (Supervisory Control and Data Acquisition) equipment to each of the network locations and allow the receivers to communicate with our Operations Office in Division Headquarters. This will allow the Operations Department to remotely monitor the configuration and load on the network, manage out-of-configuration situations and proactively take steps to prevent network outages or failures.
ED-046	Aerial Cable Replacement Program	The Aerial Cable Replacement Program provides for replacement of Distribution outside plant Aerial Cable facilities due to age, and to preserve asset function and reliability.

**Electric Delivery 2009-2011 Capital Plan
Potential Stimulus Additions
Cash Flow and Jobs**

Responsible Business Area	Cat	Type	Item No.	Project	Asset Type	May-2009	Jun-2009	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009	2009 Increment		
Distribution	ER	Blankets	ED-007	Environmental/Regulatory Blanket- D	Distribution Plant	18	56	70	105	60	105	105	105	623		
		Blankets Total					18	56	70	105	60	105	105	105	623	
ER Total						18	56	70	105	60	105	105	105	623		
Distribution	RF	Blankets	ED-008	Replace Facilities Blanket- D	Distribution Plant	300	300	300	100	100	100	100	100	1,400		
			ED-008a	Replace Facilities Blanket- D	Distribution Plant	300	300	300	100	100	100	100	100	1,400		
			ED-008B	Replace Facilities Blanket- D	Distribution Plant	140	220	233	317	345	630	637	632	3,154		
			ED-009	BUD Cable Replacements	Distribution Plant	700	1,300	1,500	2,800	2,800	2,800	6,600	6,600	25,100		
			ED-010	Delta Star Replacements	Distribution Plant	100	300	400	400	400	500	750	750	3,600		
			ED-011	Network Equipment Replacements	Distribution Plant	200	400	400	400	400	1,200	1,200	1,200	5,400		
			ED-012	26KV Oil Circuit Breaker Replacements	Distribution Plant	100	200	500	500	500	500	1,000	1,000	4,300		
			ED-013	Low Pressure Gas Filled Cable Replacements	Distribution Plant	100	300	600	600	600	600	1,250	1,250	5,300		
			ED-014	Street Lighting Blanket	Distribution Plant	17	33	40	50	40	40	33	40	294		
		Blankets Total					1,957	3,353	4,273	5,267	5,285	6,470	11,670	11,672	49,948	
		RF Total						1,957	3,353	4,273	5,267	5,285	6,470	11,670	11,672	49,948
				ED-018	Adv. Street Lighting Tech. Blanket	Distribution Plant	300	750	1,950	2,250	2,250	2,250	2,250	2,250	2,250	14,250
		Blankets Total					300	750	1,950	2,250	2,250	2,250	2,250	2,250	2,250	14,250
				ED-020	Ridgefield 9th Feeder	Distribution Plant	100	300	500	1,000	1,200	1,500	400			5,000
				ED-024	Doremus I - 8th Feeder	Distribution Plant	130	300	385	385	120					1,320
		ED-025	Kilmer II 10th Feeder	Distribution Plant					100	100	200	300	700			
		ED-026	Minue St. 11th Feeder	Distribution Plant							100	200	300			
		ED-027	Westfield 9th Feeder	Distribution Plant							100	200	300			
		ED-028	Aldene-Schering 26KV Reinforcement	Distribution Plant	100	100	200	200	300	400	400	500	2,200			
		ED-029	Warinanco 9th Feeder	Distribution Plant						50	150	150	350			
		ED-030	Yardville 8th Feeder	Distribution Plant	100	300	400	400	400	500	1,000	700	3,800			
		ED-031	Medford 9th Feeder	Distribution Plant							100	200	300			
		ED-032	Penns Neck 15th Feeder	Distribution Plant						50	50	150	250			
		ED-033	Lumberton 9th Feeder	Distribution Plant							100	200	300			
		ED-034	East Rutherford Collapsed Duct Line	Distribution Plant	200	400	400	400	459					1,859		
		ED-035	Bergen - Polk Street 26-kv circuit	Distribution Plant									100			
		ED-036	Maywood 6th Feeder	Distribution Plant									100			
		ED-037	Bayonne Peninsula Unit & Reinforce 26-kv	Distribution Plant		100	100	200	200	200	200	200	1,200			
		ED-038	Waldwick 10th Feeder	Distribution Plant									100			
		ED-039	Liberty State Park Reliability Improvement	Distribution Plant									100			
		ED-040	Foundry Street 8th Feeder	Distribution Plant									200			
		ED-041	Essex - Harrison - Clay Street 26-kv circuit	Distribution Plant	100	200	200	200	200	200	200	200	1,500			
		ED-042	Trenton Network Monitoring	Distribution Plant	50	50	50	50	100	100	100	100	600			
		ED-043	Paterson Network Monitoring	Distribution Plant			50	50	50	50	50	50	300			
		ED-044	Newark Network Monitoring	Distribution Plant	50	50	50	50	100	100	100	100	600			
		ED-045	New Brunswick Network Monitoring	Distribution Plant			50	50	50	50	50	50	300			
		ED-046	Aerial Cable	Distribution Plant				2,395	2,395	2,395	2,395	2,395	11,975			
Specifics Total					830	1,800	2,385	5,380	5,674	5,695	5,795	6,095	33,654			
SR Total						1,130	2,550	4,335	7,630	7,924	7,945	8,045	47,904			
Distribution Total						3,104	5,959	8,678	13,002	13,269	14,520	19,820	20,122	98,475		
Grand Total Distribution and UOS						3,104	5,959	8,678	13,002	13,269	14,520	19,820	20,122	98,475		

**Electric Delivery 2009-2011 Capital Plan
Potential Stimulus Additions
Cash Flow and Jobs**

Responsible Business Area	Cat	Type	Item No.	Project	Asset Type	Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010	2010 Increment			
Distribution	ER	Blankets	ED-007	Environmental/Regulatory Blanket- D	Distribution Plant	77												77			
		Blankets Total					77												77		
ER Total						77												77			
Distribution	RF	Blankets	ED-008	Replace Facilities Blanket- D	Distribution Plant	105												105			
			ED-008a	Replace Facilities Blanket- D	Distribution Plant	95													95		
			ED-008B	Replace Facilities Blanket- D	Distribution Plant	631	696	701	951	951	901	800	650	650	950	950	950	950	950	9,781	
			ED-009	BUD Cable Replacements	Distribution Plant	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	79,200	
			ED-010	Delta Star Replacements	Distribution Plant	750	750	750	750	750	500	400	400	400	500	500	750	750	750	7,450	
			ED-011	Network Equipment Replacements	Distribution Plant	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400	
			ED-012	26KV Oil Circuit Breaker Replacements	Distribution Plant	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	
			ED-013	Low Pressure Gas Filled Cable Replacements	Distribution Plant	1,250	1,250	1,250	1,250	1,250	1,250	600	600	600	1,250	1,250	1,250	1,250	1,250	13,050	
			ED-014	Street Lighting Blanket	Distribution Plant	40														40	
		Blankets Total					11,671	11,496	11,501	11,751	11,751	11,451	10,600	10,450	10,450	11,500	11,750	11,750	11,750	136,121	
		RF Total						11,671	11,496	11,501	11,751	11,751	11,451	10,600	10,450	10,450	11,500	11,750	11,750	136,121	
				Blankets	ED-018	Adv. Street Lighting Tech. Blanket	Distribution Plant	750	500	1,250	2,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,250	2,250	24,250
		Blankets Total					750	500	1,250	2,000	2,500	2,250	2,250	24,250							
					ED-020	Ridgefield 9th Feeder	Distribution Plant													1,550	
			ED-024	Doremus I - 8th Feeder	Distribution Plant													3,200			
			ED-025	Kilmer II 10th Feeder	Distribution Plant	300	200	200	300	300	250							3,700			
			ED-026	Minue St. 11th Feeder	Distribution Plant	200	500	500	500	500	500	500						3,600			
			ED-027	Westfield 9th Feeder	Distribution Plant	200	200	200	300	300	300	300	300	400	400	400	400	400	3,700		
			ED-028	Aldene-Schering 26KV Reinforcement	Distribution Plant	300	300	300	300	300	300	200	200	200	400	400	400	400	3,600		
			ED-029	Warinanco 9th Feeder	Distribution Plant	150	300	300	300	300	300	200	200	200	400	400	400	400	3,450		
			ED-030	Yardville 8th Feeder	Distribution Plant	200												200			
			ED-031	Medford 9th Feeder	Distribution Plant	200	200	200	200	200	200	200	200	200	400	400	400	300	2,900		
			ED-032	Penns Neck 15th Feeder	Distribution Plant	250	400	400	600	600	500	500	150						3,400		
			ED-033	Lumberton 9th Feeder	Distribution Plant	200	200	200	200	200	200	200	300	300	500	600	500		3,600		
			ED-034	East Rutherford Collapsed Duct Line	Distribution Plant																
			ED-035	Bergen - Polk Street 26-kv circuit	Distribution Plant	200	400	500	500	600	700	800	700						4,400		
			ED-036	Maywood 6th Feeder	Distribution Plant	200	200	300	300	600	700	600							2,900		
			ED-037	Bayonne Peninsula Unit & Reinforce 26-kv	Distribution Plant	300	300	300	300	300	400	400	1,000	1,000	1,000	2,000	2,000	2,000	9,300		
			ED-038	Waldwick 10th Feeder	Distribution Plant	200	400	500	500	600	800	800	600						4,400		
			ED-039	Liberty State Park Reliability Improvement	Distribution Plant									100	100	200	200	600			
			ED-040	Foundry Street 8th Feeder	Distribution Plant	100	300	400	500	700	800	1,000	800						4,600		
			ED-041	Essex - Harrison - Clay Street 26-kv circuit	Distribution Plant	300	300	300	300	300	300	300	400	600	800	900	900	900	5,700		
			ED-042	Trenton Network Monitoring	Distribution Plant	100	100	200	200	200	200	200	200	200	200	200	200	200	2,200		
			ED-043	Paterson Network Monitoring	Distribution Plant	100	100	100	100	100	100	100	100	100	200	200	200	200	1,500		
			ED-044	Newark Network Monitoring	Distribution Plant	100	100	200	200	200	200	200	200	200	200	200	200	200	2,200		
			ED-045	New Brunswick Network Monitoring	Distribution Plant	100	100	100	100	100	100	100	100	100	200	200	200	200	1,500		
			ED-046	Aerial Cable	Distribution Plant	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	28,740		
Specifics Total					6,095	6,995	7,595	8,095	8,795	9,245	8,995	7,845	5,995	7,195	8,495	8,295	8,295	93,640			
SR Total						6,845	7,495	8,845	10,095	11,295	11,745	11,495	10,345	8,495	9,695	10,995	10,545	117,890			
Distribution Total						18,593	18,991	20,346	21,846	23,046	23,196	22,095	20,795	18,945	21,195	22,745	22,295	254,088			
Grand Total Distribution and UOS						18,593	18,991	20,346	21,846	23,046	23,196	22,095	20,795	18,945	21,195	22,745	22,295	254,088			

**Electric Delivery 2009-2011 Capital Plan
Potential Stimulus Additions
Cash Flow and Jobs**

Responsible Business Area	Cat	Type	Item No.	Project	Asset Type	Jan-2011	Feb-2011	Mar-2011	Apr-2011	2011 Increment	Total Increment	Jobs
Distribution	ER	Blankets	ED-007	Environmental/Regulatory Blanket- D	Distribution Plant						700	1.1
		Blankets Total									700	1.1
		ER Total									700	1.1
	RF	Blankets	ED-008	Replace Facilities Blanket- D	Distribution Plant						1,505	2.2
			ED-008a	Replace Facilities Blanket- D	Distribution Plant						1,495	2.2
			ED-008B	Replace Facilities Blanket- D	Distribution Plant	925	210	210	220	1,565	14,500	21.6
			ED-009	BUD Cable Replacements	Distribution Plant	6,600	6,600	6,600	6,600	26,400	130,700	195.2
			ED-010	Delta Star Replacements	Distribution Plant	750	750	750	750	3,000	14,050	20.9
			ED-011	Network Equipment Replacements	Distribution Plant	1,200	1,200	1,200	1,200	4,800	24,600	36.7
			ED-012	26KV Oil Circuit Breaker Replacements	Distribution Plant	1,000	1,000	1,000	1,000	4,000	20,300	30.4
			ED-013	Low Pressure Gas Filled Cable Replacements	Distribution Plant	1,250	1,250	1,250	1,250	5,000	23,350	34.9
			ED-014	Street Lighting Blanket	Distribution Plant						334	0.5
		Blankets Total				11,725	11,010	11,010	11,020	44,765	230,834	344.6
		RF Total				11,725	11,010	11,010	11,020	44,765	230,834	344.6
			ED-018	Adv. Street Lighting Tech. Blanket	Distribution Plant	1,500	2,500	3,700	3,800	11,500	50,000	54.6
		Blankets Total				1,500	2,500	3,700	3,800	11,500	50,000	54.6
			ED-020	Ridgefield 9th Feeder	Distribution Plant						5,000	7.5
			ED-024	Doremus I - 8th Feeder	Distribution Plant						1,320	1.9
			ED-025	Kilmer II 10th Feeder	Distribution Plant						2,250	3.4
			ED-026	Minue St. 11th Feeder	Distribution Plant						3,500	5.2
			ED-027	Westfield 9th Feeder	Distribution Plant						4,000	6
			ED-028	Aldene-Schering 26KV Reinforcement	Distribution Plant	200				200	6,000	8.9
			ED-029	Warinanco 9th Feeder	Distribution Plant	200				200	4,000	6
			ED-030	Yardville 8th Feeder	Distribution Plant						4,000	6
			ED-031	Medford 9th Feeder	Distribution Plant	300				300	3,500	5.2
			ED-032	Penns Neck 15th Feeder	Distribution Plant						3,650	5.5
			ED-033	Lumberton 9th Feeder	Distribution Plant	350				350	4,250	6.3
			ED-034	East Rutherford Collapsed Duct Line	Distribution Plant						1,859	2.7
			ED-035	Bergen - Polk Street 26-kv circuit	Distribution Plant						4,500	6.7
			ED-036	Maywood 6th Feeder	Distribution Plant						3,000	4.5
			ED-037	Bayonne Peninsula Unit & Reinforce 26-kv	Distribution Plant	1,500				1,500	12,000	17.9
			ED-038	Waldwick 10th Feeder	Distribution Plant						4,500	6.7
			ED-039	Liberty State Park Reliability Improvement	Distribution Plant	150				150	750	1.1
			ED-040	Foundry Street 8th Feeder	Distribution Plant						4,800	7.1
			ED-041	Essex - Harrison - Clay Street 26-kv circuit	Distribution Plant	1,000	500	200	100	1,800	9,000	13.4
			ED-042	Trenton Network Monitoring	Distribution Plant	200				200	3,000	4.5
			ED-043	Paterson Network Monitoring	Distribution Plant	200				200	2,000	3
			ED-044	Newark Network Monitoring	Distribution Plant	200				200	3,000	4.5
			ED-045	New Brunswick Network Monitoring	Distribution Plant	200				200	2,000	3
			ED-046	Aerial Cable	Distribution Plant	2,395	2,395	2,395		7,185	47,900	71.7
		Specifics Total				6,895	2,895	2,595	100	12,485	139,779	208.7
		SR Total				8,395	5,395	6,295	3,900	23,985	189,779	263.3
		Distribution Total				20,120	16,405	17,305	14,920	68,750	421,313	609
		Grand Total Distribution and UOS				20,120	16,405	17,305	14,920	68,750	421,313	609

APPENDIX B

PSE&G Capital Stimulus Infrastructure Investment Program

Electric Revenue Requirements Calculation - Monthly

(\$'s)

		Program Assumption	Program Assumption	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Bk Depr - ' Worksheets	Prior Month + Col 3	Col 2 - Col 4	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Bk Depr - ' Worksheets	(Col 6 - Col 3) * [Income Tax Rate]	Prior + Col 7	Col 5 - Col 8	(Prior Col 9 + Col 9) / 2 * Monthly Pre Tax WACC	Program Assumption	Col 3 + Col 10 + Col 11
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Month	Year	Program Investment	Gross Plant	Depreciation Expense	Accumulated Depreciation	Net Plant	Tax Depreciation	Deferred Tax Exp	Accumulated Deferred Tax	Net Investment	Return Requirement	O&M Expense	Calendar Revenue Requirements
1	Jan 2009	-	-	-	-	-	-	-	-	-	-	-	-
2	Feb 2009	-	-	-	-	-	-	-	-	-	-	-	-
3	Mar 2009	-	-	-	-	-	-	-	-	-	-	-	-
4	Apr 2009	-	-	-	-	-	-	-	-	-	-	-	-
5	May 2009	3,104,200	3,104,200	4,719	4,719	3,099,481	7,107	981	981	3,098,500	14,601	100,000	119,320
6	Jun 2009	5,959,400	9,063,600	13,350	18,069	9,045,531	20,105	2,775	3,756	9,041,775	57,207	100,000	170,557
7	Jul 2009	8,678,080	17,741,680	26,408	44,477	17,697,203	39,771	5,490	9,246	17,687,957	125,955	100,000	252,363
8	Aug 2009	13,002,100	30,743,780	42,224	86,700	30,657,080	63,590	8,778	18,025	30,639,055	227,725	200,000	469,949
9	Sept 2009	13,268,580	44,012,360	64,579	151,279	43,861,081	97,257	13,426	31,450	43,829,631	350,909	200,000	615,488
10	Oct 2009	14,520,080	58,532,440	82,891	234,170	58,298,270	124,836	17,233	48,683	58,249,587	481,015	300,000	863,906
11	Nov 2009	19,820,400	78,352,840	122,369	356,539	77,996,301	184,290	25,440	74,123	77,922,179	641,664	300,000	1,064,033
12	Dec 2009	20,122,080	98,474,920	151,475	508,014	97,966,906	228,125	31,491	105,613	97,861,293	828,322	400,000	1,379,796
13	Jan 2010	18,593,480	117,068,400	185,709	693,723	116,374,677	279,683	38,608	144,221	116,230,456	1,008,837	500,000	1,694,546
14	Feb 2010	18,991,000	136,059,400	210,601	904,324	135,155,076	317,170	43,783	188,004	134,967,072	1,183,685	500,000	1,894,286
15	Mar 2010	20,346,000	156,405,400	237,059	1,141,383	155,264,017	357,017	49,283	237,288	155,026,729	1,366,500	600,000	2,203,559
16	Apr 2010	21,846,000	178,251,400	265,593	1,406,975	176,844,425	399,989	55,215	292,503	176,551,922	1,562,455	600,000	2,428,047
17	May 2010	23,046,000	201,297,400	295,163	1,702,139	199,595,261	451,097	64,064	356,567	199,238,694	1,770,789	600,000	2,665,953
18	Jun 2010	23,196,000	224,493,400	328,780	2,030,919	222,462,481	513,750	75,993	432,560	222,029,921	1,985,089	400,000	2,713,870
19	Jul 2010	22,095,000	246,588,400	369,450	2,400,370	244,188,030	593,192	91,922	524,482	243,663,549	2,194,427	400,000	2,963,877
20	Aug 2010	20,795,000	267,383,400	432,530	2,832,900	264,550,500	710,226	114,089	638,570	263,911,930	2,391,782	400,000	3,224,312
21	Sept 2010	18,945,000	286,328,400	459,402	3,292,302	283,036,098	781,840	132,470	771,041	282,265,058	2,573,679	400,000	3,433,080
22	Oct 2010	21,195,000	307,523,400	488,452	3,780,753	303,742,647	851,101	148,991	920,032	302,822,615	2,757,032	400,000	3,645,484
23	Nov 2010	22,745,000	330,268,400	518,020	4,298,774	325,969,626	950,632	177,734	1,097,766	324,871,860	2,957,803	600,000	4,075,823
24	Dec 2010	22,295,000	352,563,400	555,370	4,854,144	347,709,256	1,047,432	202,159	1,299,924	346,409,331	3,163,191	600,000	4,318,561
25	Jan 2011	20,120,000	372,683,400	666,850	5,520,994	367,162,406	1,263,017	244,929	1,544,854	365,617,552	3,355,192	600,000	4,622,041
26	Feb 2011	16,404,887	389,088,287	694,883	6,215,877	382,872,410	1,339,914	265,004	1,809,858	381,062,552	3,518,483	600,000	4,813,366
27	Mar 2011	17,304,832	406,393,119	843,266	7,059,143	399,333,976	1,600,243	310,997	2,120,855	397,213,121	3,667,367	500,000	5,010,633
28	Apr 2011	14,919,827	421,312,946	874,224	7,933,367	413,379,579	1,686,619	333,764	2,454,619	410,924,960	3,808,084	600,000	5,282,308
29	May 2011	-	421,312,946	874,224	8,807,591	412,505,355	1,726,789	350,268	2,804,887	409,700,468	3,866,926	-	4,741,151
30	Jun 2011	-	421,312,946	874,224	9,681,816	411,631,130	1,771,745	368,737	3,173,624	408,457,506	3,855,299	-	4,729,524
31	Jul 2011	-	421,312,946	874,224	10,556,040	410,756,906	1,825,563	390,848	3,564,472	407,192,434	3,843,481	-	4,717,705
32	Aug 2011	-	421,312,946	874,224	11,430,264	409,882,682	1,910,002	425,539	3,990,011	405,892,671	3,831,395	-	4,705,619
33	Sept 2011	-	421,312,946	874,224	12,304,489	409,008,457	1,942,572	438,920	4,428,931	404,579,527	3,819,083	-	4,693,307
34	Oct 2011	-	421,312,946	874,224	13,178,713	408,134,233	1,979,058	453,910	4,882,840	403,251,393	3,806,636	-	4,680,861
35	Nov 2011	-	421,312,946	874,224	14,052,937	407,260,009	2,011,659	467,304	5,350,144	401,909,865	3,794,057	-	4,668,281
36	Dec 2011	-	421,312,946	874,224	14,927,162	406,385,784	2,057,358	486,079	5,836,223	400,549,562	3,781,325	-	4,655,549

PSE&G Capital Stimulus Infrastructure Investment Program

Gas Revenue Requirements Calculation - Monthly

(\$'s)

			Program Assumption	Program Assumption	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Bk Depr - ' Worksheets	Prior Month + Col 3	Col 2 - Col 4	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Bk Depr - ' Worksheets	(Col 6 - Col 3) * [Income Tax Rate]	Prior + Col 7	Col 5 - Col 8	(Prior Col 9 + Col 9) / 2 * Monthly Pre Tax WACC	Program Assumption	Col 3 + Col 10 + Col 11
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			Program Investment	Gross Plant	Depreciation Expense	Accumulated Depreciation	Net Plant	Tax Depreciation	Deferred Tax Exp	Accumulated Deferred Tax	Net Investment	Return Requirement	O&M Expense	Calendar Revenue Requirements
Month	Year													
1	Jan	2009	-	-	-	-	-	-	-	-	-	-	-	-
2	Feb	2009	-	-	-	-	-	-	-	-	-	-	-	-
3	Mar	2009	-	-	-	-	-	-	-	-	-	-	-	-
4	Apr	2009	-	-	-	-	-	-	-	-	-	-	-	-
5	May	2009	2,730,000	2,730,000	3,663	3,663	2,726,337	11,375	3,169	3,169	2,723,169	12,832	143,116	159,611
6	Jun	2009	3,788,000	6,518,000	8,678	12,341	6,505,659	26,950	7,507	10,675	6,494,984	43,438	338,724	390,840
7	Jul	2009	9,698,000	16,216,000	21,622	33,963	16,182,037	67,150	18,705	29,380	16,152,657	106,720	367,430	495,772
8	Aug	2009	12,425,000	28,641,000	38,208	72,171	28,568,829	118,510	32,991	62,371	28,506,458	210,441	358,818	607,467
9	Sept	2009	13,640,000	42,281,000	56,415	128,586	42,152,414	174,830	48,650	111,021	42,041,393	332,433	401,876	790,725
10	Oct	2009	16,965,000	59,246,000	79,042	207,628	59,038,372	245,101	68,224	179,244	58,859,128	475,460	473,640	1,028,142
11	Nov	2009	12,234,000	71,480,000	95,322	302,950	71,177,050	295,659	82,307	261,551	70,915,499	611,520	355,948	1,062,790
12	Dec	2009	15,200,000	86,680,000	114,776	417,726	86,262,274	356,076	99,136	360,686	85,901,588	738,949	430,582	1,284,307
13	Jan	2010	3,439,693	90,119,693	119,324	537,050	89,582,643	370,200	103,070	463,756	89,118,887	824,726	50,498	994,548
14	Feb	2010	3,439,693	93,559,385	123,872	660,922	92,898,464	384,323	107,004	570,760	92,327,704	855,007	50,498	1,029,377
15	Mar	2010	6,805,385	100,364,771	132,935	793,857	99,570,914	412,471	114,844	685,605	98,885,310	901,028	100,996	1,134,959
16	Apr	2010	6,955,385	107,320,156	141,990	935,847	106,384,310	440,517	122,647	808,251	105,576,058	963,457	100,996	1,206,442
17	May	2010	13,959,771	121,279,927	160,299	1,096,146	120,183,781	507,467	142,630	950,882	119,232,900	1,059,338	201,991	1,421,629
18	Jun	2010	17,600,464	138,880,391	183,225	1,279,371	137,601,020	592,533	168,160	1,119,042	136,481,978	1,204,972	252,489	1,640,686
19	Jul	2010	20,540,156	159,420,547	210,112	1,489,483	157,931,064	712,214	206,284	1,325,325	156,605,739	1,381,079	302,987	1,894,178
20	Aug	2010	19,319,810	178,740,358	235,362	1,724,845	177,015,512	836,661	247,038	1,572,363	175,443,149	1,564,671	277,738	2,077,771
21	Sept	2010	21,040,156	199,780,514	262,920	1,987,765	197,792,749	972,645	291,583	1,863,946	195,928,802	1,749,968	302,987	2,315,875
22	Oct	2010	22,609,503	222,390,017	292,382	2,280,148	220,109,869	1,127,387	343,053	2,207,000	217,902,869	1,950,045	328,236	2,570,663
23	Nov	2010	17,500,464	239,890,480	321,766	2,601,913	237,288,567	1,264,141	387,166	2,594,165	234,694,402	2,132,715	252,489	2,706,970
24	Dec	2010	20,489,756	260,380,237	349,256	2,951,169	257,429,067	1,403,890	433,286	3,027,451	254,401,616	2,304,703	302,987	2,956,946
25	Jan	2011	1,300,073	261,680,309	351,000	3,302,170	258,378,140	1,422,019	440,017	3,467,468	254,910,672	2,399,966	40,000	2,790,966
26	Feb	2011	2,649,877	264,330,187	354,556	3,656,725	260,673,461	1,445,771	448,315	3,915,783	256,757,678	2,411,068	70,000	2,835,624
27	Mar	2011	3,350,013	267,680,200	359,050	4,015,775	263,664,425	1,485,062	462,611	4,378,394	259,286,031	2,431,686	90,000	2,880,736
28	Apr	2011	5,320,000	273,000,200	366,188	4,381,963	268,618,237	1,532,374	479,116	4,857,510	263,760,727	2,464,685	50,000	2,880,873
29	May	2011	-	273,000,200	366,188	4,748,151	268,252,049	1,581,062	499,119	5,356,629	262,895,420	2,481,693	-	2,847,881
30	Jun	2011	-	273,000,200	366,188	5,114,339	267,885,861	1,641,854	524,095	5,880,724	262,005,138	2,473,421	-	2,839,608
31	Jul	2011	-	273,000,200	366,188	5,480,526	267,519,674	1,709,367	551,832	6,432,555	261,087,118	2,464,900	-	2,831,087
32	Aug	2011	-	273,000,200	366,188	5,846,714	267,153,486	1,770,224	576,834	7,009,390	260,144,096	2,456,130	-	2,822,318
33	Sept	2011	-	273,000,200	366,188	6,212,902	266,787,298	1,836,609	604,108	7,613,497	259,173,801	2,447,114	-	2,813,302
34	Oct	2011	-	273,000,200	366,188	6,579,090	266,421,110	1,905,606	632,454	8,245,952	258,175,158	2,437,836	-	2,804,024
35	Nov	2011	-	273,000,200	366,188	6,945,277	266,054,923	1,978,126	662,249	8,908,201	257,146,722	2,428,284	-	2,794,472
36	Dec	2011	-	273,000,200	366,188	7,311,465	265,688,735	2,043,484	689,100	9,597,301	256,091,434	2,418,465	-	2,784,653

**PSE&G Capital Stimulus Infrastructure Investment Program
Electric Capital Adjustment Mechanism**

		<u>Jan-Dec Revenue Requirements (000)>></u>					\$4,935	<u>Year</u> 2009			
		<u>Capital Adjustment Factor (CAF)>></u>					0.6710%				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Assumption	Input	Col 1 * Col 2	Input	Col 2 - Col 4	Col 5 * CAF	Col 2 + Col 6	Col 1 * Col 7	Col 8 - Col 3	
Rate Schedule	Rate Components	<u>8 Mos Units</u> <u>(000)</u>	<u>Present Rates w</u> <u>/o SUT</u>	<u>Present</u> <u>Revenue (000)</u>	<u>TEFA</u>	<u>Present</u> <u>Rates w/o</u> <u>SUT, w/o</u> <u>TEFA</u>	<u>CAC (w/o</u> <u>SUT)</u>	<u>Present Rates w</u> <u>/o SUT + CAC</u>	<u>Proposed</u> <u>Revenue</u>	<u>Capital</u> <u>Adjustment</u> <u>Charge Revenue</u> <u>(000)</u>	
RS	Service Charge	per month	14,520,757	\$2.27	\$32,962	\$2.27	\$0.02	\$2.29	\$33,253	\$291	
	Distribution 0-600, June-September	¢kWhr	3,622,943	\$0.028590	103,580	\$0.002890	\$0.025700	\$0.000172	\$0.028762	623	
	Distribution 0-600, October-May	¢kWhr	3,086,134	\$0.036234	111,823	\$0.002890	\$0.033344	\$0.000224	\$0.036458	691	
	Distribution over 600, June-September	¢kWhr	1,994,513	\$0.032411	64,644	\$0.002890	\$0.029521	\$0.000198	\$0.032609	395	
	Distribution over 600, October-May	¢kWhr	785,922	\$0.036234	28,477	\$0.002890	\$0.033344	\$0.000224	\$0.036458	176	
	BRDKA	¢kWhr	9,489,512	(\$0.000499)	(4,735)	(\$0.000499)	(\$0.000003)	(\$0.000502)	(4,764)	(29)	
	Total			\$36,751					\$38,898	\$2,147	
RHS	Service Charge	per month	90,230	\$2.27	\$205	\$2.27	\$0.02	\$2.29	\$207	\$2	
	Distribution 0-600, June-September	¢kWhr	21,068	\$0.046028	970	\$0.002890	\$0.043138	\$0.000289	\$0.046317	6	
	Distribution 0-600, October-May	¢kWhr	22,697	\$0.030710	697	\$0.002890	\$0.027820	\$0.000187	\$0.030897	4	
	Distribution over 600, June-September	¢kWhr	16,511	\$0.050928	841	\$0.002890	\$0.048038	\$0.000322	\$0.051250	5	
	Distribution over 600, October-May	¢kWhr	25,250	\$0.013110	331	\$0.002890	\$0.010220	\$0.000069	\$0.013179	2	
	Common Use	¢kWhr	0	\$0.050928	0	\$0.002890	\$0.048038	\$0.000322	\$0.051250	0	
	BRDKA	¢kWhr	85,526	(\$0.000499)	(43)	(\$0.000499)	(\$0.000003)	(\$0.000502)	(43)	0	
	Total			\$3,001					\$3,020	\$19	
RLM	Service Charge	per month	109,349	\$13.07	\$1,429	\$13.07	\$0.09	\$13.16	\$1,439	\$10	
	Distribution, June-September, On-Peak	¢kWhr	57,985	\$0.052067	3,019	\$0.002000	\$0.050067	\$0.000336	\$0.052403	20	
	Distribution, June-September, Off-Peak	¢kWhr	66,376	\$0.013632	905	\$0.002000	\$0.011632	\$0.000078	\$0.013710	5	
	Distribution, October-May, On-Peak	¢kWhr	37,011	\$0.013632	505	\$0.002000	\$0.011632	\$0.000078	\$0.013710	2	
	Distribution, October-May, Off-Peak	¢kWhr	47,288	\$0.013632	645	\$0.002000	\$0.011632	\$0.000078	\$0.013710	3	
	BRDKA	¢kWhr	208,660	(\$0.000499)	(104)	(\$0.000499)	(\$0.000003)	(\$0.000502)	(105)	(1)	
	Total			\$6,399					\$6,438	\$39	
WH	Distribution Sum	¢kWhr	968	\$0.041207	\$40	\$0.001580	\$0.039627	\$0.000266	\$0.041473	\$40	\$0
	Distribution Win	¢kWhr	1,054	\$0.041207	43	\$0.001580	\$0.039627	\$0.000266	\$0.041473	44	1
	BRDKA	¢kWhr	2,022	(\$0.000499)	(1)	(\$0.000499)	(\$0.000003)	(\$0.000502)	(1)	0	
	Total			\$82					\$83	\$1	
WHS	Service Charge	per month	0.279	\$0.52	\$0.145	\$0.52	\$0.00	\$0.52	\$0.145	\$0.000	
	Distribution Sum	¢kWhr	14	\$0.001580	0.022	\$0.001580	\$0.000000	\$0.001580	0.022	0.000	
	Distribution Win	¢kWhr	14	\$0.001580	0.022	\$0.001580	\$0.000000	\$0.001580	0.022	0.000	
	BRDKA	¢kWhr	28	(\$0.000499)	(0.014)	(\$0.000499)	(\$0.000003)	(\$0.000502)	(0.014)	0.000	
	Total			\$0.175					\$0.175	\$0.000	
HS	Service Charge	per month	13,307	\$3.11	\$41	\$3.11	\$0.02	\$3.13	\$42	\$1	
	Distribution, June-September	¢kWhr	4,446	\$0.076324	339	\$0.002720	\$0.073604	\$0.000494	\$0.076818	342	3
	Distribution, October-May	¢kWhr	6,657	\$0.029743	198	\$0.002720	\$0.027023	\$0.000181	\$0.029924	199	1
	BRDKA	¢kWhr	11,103	(\$0.000499)	(6)	(\$0.000499)	(\$0.000003)	(\$0.000502)	(6)	0	
	Total			\$572					\$577	\$5	
GLP	Service Charge	per month	1,950,733	\$3.96	\$7,725	\$3.96	\$0.03	\$3.99	\$7,783	\$58	
	Service Charge-Unmetered	per month	135,691	\$1.83	248	\$1.83	\$0.01	\$1.84	250	2	
	Service Charge-Night Use	per month	0.645	\$347.77	224	\$347.77	\$2.33	\$350.10	226	2	
	Annual Demand	\$kW	20,402	\$3.6393	74,249	\$3.6393	\$0.0244	\$3.6637	74,747	498	
	Summer Demand, June-September	\$kW	10,930	\$6.7542	73,823	\$6.7542	\$0.0453	\$6.7995	74,319	496	
	Distribution kWhr, June-September	¢kWhr	3,156,115	\$0.011267	35,560	\$0.002720	\$0.008547	\$0.000057	\$0.011324	35,740	180
	Distribution kWhr, October-May	¢kWhr	2,671,080	\$0.005725	15,292	\$0.002720	\$0.003005	\$0.000020	\$0.005745	15,345	53
	Distribution kWhr, Night use, June-September	¢kWhr	9,683	\$0.005725	55	\$0.002720	\$0.003005	\$0.000020	\$0.005745	56	1
	Distribution kWhr, Night use, October-May	¢kWhr	9,507	\$0.005725	54	\$0.002720	\$0.003005	\$0.000020	\$0.005745	55	1
	BRDKA	¢kWhr	5,846,385	(\$0.000499)	(2,917)	(\$0.000499)	(\$0.000003)	(\$0.000502)	(2,935)	(18)	
	Total			\$204,313					\$205,586	\$1,273	

**PSE&G Capital Stimulus Infrastructure Investment Program
Gas Capital Adjustment Mechanism**

Jan-Dec Revenue Requirements (000)>> **\$5,820**

**Year
2009**

Capital Adjustment Factor (CAF)>> **1.9935%**

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Assumption	Input	Col 1 * Col 2	Input	Col 2 - Col 4	Col 5 * CAF	Col 2 + Col 6	Col 1 * Col 7	Col 8 - Col 3	
<u>Rate</u>											
<u>Schedule</u>	<u>Rate Component</u>	<u>Rate Units</u>	<u>8 Mos. Units</u>	<u>Current Rates</u>	<u>Current</u>	<u>Current Rates</u>	<u>Capital</u>	<u>Current Rates</u>	<u>Proposed</u>	<u>Capital</u>	
			<u>(000)</u>	<u>w/o SUT</u>	<u>Revenue (000)</u>	<u>TEFA Rate</u>	<u>Adjustment</u>	<u>w/o SUT +CAC</u>	<u>Revenue</u>	<u>Adjustment</u>	
							<u>Charges (w/o</u>			<u>Charge</u>	
							<u>SUT)</u>			<u>Revenue (000)</u>	
RSG	Service Charge	per month	12,710.502	\$5.46	\$69,399		\$5.46	\$5.57	\$70,797	\$1,398	
	Distribution Charge	¢/Therm	563,572	\$0.277530	156,408	\$0.023625	\$0.253905	\$0.282592	159,261	2,853	
	Off-Peak Use	¢/Therm	0	\$0.138765	0	\$0.016845	\$0.121920	\$0.141196	0	0	
	Margin Adjustment Charge	¢/Therm	563,572	(\$0.007341)	(4,137)		See Note 1 - Pg. 2	(\$0.007828)	(4,412)	(275)	
	BGSS-RSG	¢/Therm	563,572	\$1.031261	<u>581,190</u>		See Note 2 - Pg. 2	\$1.031175	<u>581,141</u>	<u>(49)</u>	
	Total				<u>\$802,860</u>				<u>\$806,787</u>	<u>\$3,927</u>	
GSG	Service Charge	per month	1,113.096	\$9.28	\$10,330		\$9.28	\$9.46	\$10,530	\$200	
	Distribution Charge - Pre July 14, 1997	¢/Therm	1,262	\$0.222848	281	\$0.002108	\$0.220740	\$0.227249	287	6	
	Distribution Charge - All Others	¢/Therm	100,700	\$0.244140	24,585	\$0.023400	\$0.220740	\$0.248541	25,028	443	
	Off-Peak Use Dist Charge - Pre July 14, 1997	¢/Therm	0	\$0.111424	0	\$0.002108	\$0.109316	\$0.113603	0	0	
	Off-Peak Use Dist Charge - All Others	¢/Therm	0	\$0.122070	0	\$0.002396	\$0.119674	\$0.124456	0	0	
	Margin Adjustment Charge	¢/Therm	101,962	(\$0.007341)	(749)		See Note 1 - Pg. 2	(\$0.007828)	(798)	(49)	
	BGSS-F	¢/Therm	101,962	\$1.041113	<u>106,154</u>		See Note 2 - Pg. 2	\$1.041027	<u>106,145</u>	<u>(9)</u>	
	Total				<u>\$140,601</u>				<u>\$141,192</u>	<u>\$591</u>	
LVG	Service Charge	per month	144.800	\$85.88	\$12,435		\$85.88	\$87.59	\$12,683	\$248	
	Demand Charge	\$/Demand Therm	6,854	\$3.2795	22,478		\$3.2795	\$3.3449	22,926	448	
	Distribution Charge 0-1,000 pre July 14, 1997	¢/Therm	8,266	\$0.053325	441	\$0.002108	\$0.051217	\$0.054346	449	8	
	Distribution Charge over 1,000 pre July 14, 1997	¢/Therm	37,110	\$0.032017	1,188	\$0.002108	\$0.029909	\$0.032613	1,210	22	
	Distribution Charge 0-1,000 post July 14, 1997	¢/Therm	99,727	\$0.062467	6,230	\$0.011250	\$0.051217	\$0.063488	6,331	101	
	Distribution Charge over 1,000 post July 14, 1997	¢/Therm	149,714	\$0.041159	6,162	\$0.011250	\$0.029909	\$0.041755	6,251	89	
	Margin Adjustment Charge	¢/Therm	294,817	(\$0.007341)	(2,164)		See Note 1 - Pg. 2	(\$0.007828)	(2,308)	(144)	
	BGSS-F	¢/Therm	294,817	\$1.055600	<u>311,209</u>		See Note 2 - Pg. 2	\$1.055514	<u>311,183</u>	<u>(26)</u>	
	Total				<u>\$357,979</u>				<u>\$358,725</u>	<u>\$746</u>	
SLG	Single-Mantle Lamp	Monthly per Unit	6.928	\$10.4975	\$72.727	See Note 3 - Pg. 2	\$10.0052	\$0.1995	\$10.6970	\$74.109	\$1.382
	Double-Mantle Lamp, inverted	Monthly per Unit	0.072	\$10.4975	0.756	See Note 3 - Pg. 2	\$9.9583	\$0.1985	\$10.6960	0.770	0.014
	Double Mantle Lamp, upright	Monthly per Unit	0.336	\$10.4975	3.527	See Note 3 - Pg. 2	\$9.5129	\$0.1896	\$10.6871	3.591	0.064
	Triple-Mantle Lamp, prior to January 1, 19933	Monthly per Unit	12.096	\$10.4975	126.978	See Note 3 - Pg. 2	\$9.9583	\$0.1985	\$10.6960	129.379	2.401
	Triple-Mantle Lamp, on and after January 1, 1993	Monthly per Unit	0.096	\$61.1111	5.867	See Note 3 - Pg. 2	\$60.5719	\$1.2075	\$62.3186	5.983	0.116
	Margin Adjustment Charge	¢/Therm	447.924	(\$0.007341)	(3,288)		See Note 1 - Pg. 2	(\$0.007828)	(3,506)	(0.218)	
	BGSS-F	¢/Therm	447.924	1.11434	<u>499,140</u>		See Note 2 - Pg. 2	\$1.114254	<u>499,101</u>	<u>(0.039)</u>	
	Total				<u>\$705.707</u>				<u>\$709.427</u>	<u>\$3.720</u>	
TSG-F	Service Charge	per month	0.553	\$441.01	\$244		\$441.01	\$8.79	\$449.80	\$249	\$5
	Demand Charge	\$/Demand Therm	280	\$1.6268	456		\$1.6268	\$0.0324	\$1.6592	465	9
	Distribution Charge	¢/Therm	24,166	\$0.064289	1,554	\$0.002108	\$0.062181	\$0.065529	1,584	30	
	Margin Adjustment Charge	¢/Therm	24,166	(\$0.007341)	<u>(177)</u>		See Note 1 - Pg. 2	(\$0.007828)	<u>(189)</u>	<u>(12)</u>	
	Total				<u>\$2,077</u>				<u>\$2,109</u>	<u>\$32</u>	

**PSE&G Capital Stimulus Infrastructure Investment Program
Gas Capital Adjustment Charge - Calculation Example**

Apr - Mar Revenue Requirements (000)>> **\$5,820**

Year
2009

Capital Adjustment Factor (CAF)>> **1.9935%**

Rate Schedule	Rate Component	Rate Units	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			Assumption	Input	Col 1 * Col 2	Input	Col 2 - Col 4	Col 5 * CAF	Col 2 + Col 6	Col 1 * Col 7	Col 8 - Col 3
			<u>8 Mos. Units (000)</u>	<u>Current Rates w/o SUT</u>	<u>Current Revenue (000)</u>	<u>TEFA Rate</u>	<u>Current Rates w/o SUT, w/o TEFA</u>	<u>Capital Adjustment Charges (w/o SUT)</u>	<u>Current Rates w/o SUT +CAC</u>	<u>Proposed Revenue</u>	<u>Capital Adjustment Charge Revenue (000)</u>
<u>TSG-NF</u>	Service Charge	per month	2.181	\$441.01	\$962		\$441.01	\$8.79	\$449.80	\$981	\$19
	Distribution Charge 0-50,000	¢/Therm	193,994	\$0.064456	12,504	\$0.001786	\$0.062670	\$0.001249	\$0.065705	12,746	242
	Distribution Charge over 50,000	¢/Therm	175,209	\$0.064456	<u>11,293</u>	\$0.001786	\$0.062670	\$0.001249	\$0.065705	<u>11,512</u>	<u>219</u>
	Total				\$24,759					\$25,239	\$480
<u>CIG</u>	Service Charge	per month	0.200	\$122.49	\$24		\$122.49	\$2.44	\$124.93	\$25	\$1
	Distribution Charge 0-600,000	¢/Therm	23,352	\$0.055730	1,301		\$0.055730	\$0.001111	\$0.056841	1,327	26
	Distribution Charge over 600,000	¢/Therm	13,134	\$0.045730	601		\$0.045730	\$0.000912	\$0.046642	613	12
	Extended Gas Service, Special Delivery Charge	¢/Therm	0	\$0.100813	<u>0</u>		\$0.100813	\$0.002010	\$0.102823	<u>0</u>	<u>0</u>
	Total				\$1,926					\$1,965	\$39
Grand Total CAC Revenue											\$5,819

APPENDIX C

PSE&G Capital Stimulus Infrastructure Investment Program
Electric & Gas CAC Under/(Over) Calculation¹

41.084% Tax Rate

<u>Electric CAC Under/(Over) Calculation (\$000)</u>		<u>May-09</u>	<u>Jun-09</u>	<u>Jul-09</u>	<u>Aug-09</u>	<u>Sep-09</u>	<u>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Total</u>	
(1)	Grand Total CAC Revenue	392.4	744.7	856.1	846.4	813.0	420.6	409.2	449.6	4,932	From Appendix C (Page 3, Bottom)
(2)	Revenue Requirements	<u>119.3</u>	<u>170.6</u>	<u>252.4</u>	<u>469.9</u>	<u>615.5</u>	<u>863.9</u>	<u>1,064.0</u>	<u>1,379.8</u>	4,935	From Appendix B-1 ¹
(3)	Monthly Under/(Over) Recovery	(273.1)	(574.1)	(603.7)	(376.5)	(197.6)	443.3	654.8	930.2		Row 2 - Row 1
(4)	Deferred Balance	(273.1)	(847.2)	(1,450.9)	(1,827.4)	(2,025.0)	(1,581.7)	(926.9)	3.3		Prev Row 4 + Row 3
(5)	Monthly Interest Rate ²	0.07167%	0.07167%	0.07167%	0.07167%	0.07167%	0.07167%	0.07167%	0.07167%		[Prev Mth Annualized Wghtd Avg STD/CP Rate] / 12
(6)	Monthly Interest Expense/(Credit) - Net of Tax	(0.1)	(0.2)	(0.5)	(0.7)	(0.8)	(0.8)	(0.5)	(0.2)		(Prev Row 4 + Row 4) / 2 * (1 - Tax Rate) * Row 5
(7)	Cumulative Interest	(0.1)	(0.3)	(0.8)	(1.5)	(2.3)	(3.0)	(3.6)	(3.8)		Prev Row 7 + Row 6
(8)	Balance Added to Subsequent Year's Revenue Requirements								(0.5)		Row 4 + Row 7

<u>Gas CAC Under/(Over) Calculation (\$000)</u>		<u>May-09</u>	<u>Jun-09</u>	<u>Jul-09</u>	<u>Aug-09</u>	<u>Sep-09</u>	<u>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Total</u>	
(1)	Grand Total CAC Revenue	671.5	518.3	493.0	480.9	500.1	558.0	1,064.2	1,535.7	5,822	From Appendix C (Page 4, Bottom)
(2)	Revenue Requirements	<u>159.6</u>	<u>390.8</u>	<u>495.8</u>	<u>607.5</u>	<u>793.2</u>	<u>1,033.8</u>	<u>1,071.6</u>	<u>1,296.3</u>	5,849	From Appendix B-2 ¹
(3)	Monthly Under/(Over) Recovery	(511.9)	(127.5)	2.8	126.6	293.1	475.8	7.4	(239.5)		Row 2 - Row 1
(4)	Deferred Balance	(511.9)	(639.4)	(636.6)	(510.0)	(216.9)	258.9	266.3	26.9		Prev Row 4 + Row 3
(5)	Monthly Interest Rate ²	0.07167%	0.07167%	0.07167%	0.07167%	0.07167%	0.07167%	0.07167%	0.07167%		[Prev Mth Annualized Wghtd Avg STD/CP Rate] / 12
(6)	Monthly Interest Expense/(Credit) - Net of Tax	(0.1)	(0.2)	(0.3)	(0.2)	(0.2)	0.0	0.1	0.1		(Prev Row 4 + Row 4) / 2 * (1 - Tax Rate) * Row 5
(7)	Cumulative Interest	(0.1)	(0.4)	(0.6)	(0.9)	(1.0)	(1.0)	(0.9)	(0.8)		Prev Row 7 + Row 6
(8)	Balance Added to Subsequent Year's Revenue Requirements								26.0		Row 4 + Row 7

¹Revenue differs from Revenue Requirements and cumulative total may not foot due to rounding

²Monthly Interest Rate based upon weighted avg STD/CP from Feb-09

PSE&G Capital Stimulus Infrastructure Investment Program
Electric CAC Monthly Revenue Forecast

			Units (000)										
Rate Schedule	Rate Components	Rate Units	CACs										
			May-09 to Dec-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total	
RS	Service Charge	\$/month	0.02	1,819.6	1,815.3	1,819.1	1,815.6	1,820.5	1,801.5	1,814.9	1,814.2	14,521	
	Distribution 0-600, June-September	\$/kWhr	0.000172	-	855,780.0	936,221.8	946,848.6	884,092.2	-	-	-	3,622,943	
	Distribution 0-600, October-May	\$/kWhr	0.000224	707,625.9	-	-	-	-	773,527.6	767,836.0	837,144.7	3,086,134	
	Distribution over 600, June-September	\$/kWhr	0.000198	-	294,462.0	601,088.2	631,232.4	467,730.8	-	-	-	1,994,513	
	Distribution over 600, October-May	\$/kWhr	0.000224	148,028.1	-	-	-	-	197,021.4	166,271.0	274,601.3	785,922	
	BRDKA	\$/kWhr	(0.000003)	855,654.0	1,150,242.0	1,537,310.0	1,578,081.0	1,351,823.0	970,549.0	934,107.0	1,111,746.0	9,489,512	
	Total												-
RHS	Service Charge	\$/month	0.02	10.8	11.8	11.4	11.4	11.4	11.1	11.1	11.1	90	
	Distribution 0-600, June-September	\$/kWhr	0.000289	-	5,509.4	5,300.8	5,183.0	5,075.3	-	-	-	21,068	
	Distribution 0-600, October-May	\$/kWhr	0.000187	5,398.1	-	-	-	-	5,209.1	5,837.3	6,252.1	22,697	
	Distribution over 600, June-September	\$/kWhr	0.000322	-	3,703.6	4,607.2	4,433.0	3,766.7	-	-	-	16,511	
	Distribution over 600, October-May	\$/kWhr	0.000069	3,876.9	-	-	-	-	2,942.9	5,907.7	12,522.9	25,250	
	Common Use	\$/kWhr	0.000322	-	-	-	-	-	-	-	-	-	
	BRDKA	\$/kWhr	(0.000003)	9,275.0	9,213.0	9,908.0	9,616.0	8,842.0	8,152.0	11,745.0	18,775.0	85,526	
Total												-	
RLM	Service Charge	\$/month	0.09	13.7	13.7	13.8	13.7	13.7	13.5	13.7	13.6	109	
	Distribution, June-September, On-Peak	\$/kWhr	0.000336	-	11,841.8	16,108.0	14,652.6	15,382.8	-	-	-	57,985	
	Distribution, June-September, Off-Peak	\$/kWhr	0.000078	-	14,473.3	17,947.0	18,877.4	15,078.2	-	-	-	66,376	
	Distribution, October-May, On-Peak	\$/kWhr	0.000078	8,631.6	-	-	-	-	9,459.7	8,736.6	10,183.4	37,011	
	Distribution, October-May, Off-Peak	\$/kWhr	0.000078	10,678.4	-	-	-	-	11,942.3	11,440.4	13,226.7	47,288	
	BRDKA	\$/kWhr	(0.000003)	19,310.0	26,315.0	34,055.0	33,530.0	30,461.0	21,402.0	20,177.0	23,410.0	208,660	
	Total												-
WH	Distribution Sum	\$/kWhr	0.000266	-	274.0	249.0	219.0	226.0	-	-	-	968	
	Distribution Win	\$/kWhr	0.000266	273.0	-	-	-	-	224.0	260.0	297.0	1,054	
	BRDKA	\$/kWhr	(0.000003)	273.0	274.0	249.0	219.0	226.0	224.0	260.0	297.0	2,022	
	Total											-	
WHS	Service Charge	\$/month	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	
	Distribution Sum	\$/kWhr	-	-	3.8	3.5	3.3	3.4	-	-	-	14	
	Distribution Win	\$/kWhr	-	3.5	-	-	-	-	3.3	3.6	4.0	14	
	BRDKA	\$/kWhr	(0.000003)	3.6	3.9	3.5	3.3	3.4	3.3	3.7	4.1	29	
	Total											-	
HS	Service Charge	\$/month	0.02	1.6	1.7	1.7	1.7	1.7	1.6	1.7	1.6	13	
	Distribution, June-September	\$/kWhr	0.000494	-	1,087.5	1,132.7	1,137.8	1,088.2	-	-	-	4,446	
	Distribution, October-May	\$/kWhr	0.000181	1,415.6	-	-	-	-	842.2	1,501.2	2,898.3	6,657	
	BRDKA	\$/kWhr	(0.000003)	1,415.6	1,087.5	1,132.7	1,137.8	1,088.2	842.2	1,501.2	2,898.3	11,104	
	Total											-	
GLP	Service Charge	\$/month	0.03	244.7	244.8	243.2	243.0	244.9	242.5	244.3	243.4	1,951	
	Service Charge-Unmetered	\$/month	0.010000	17.1	16.8	16.9	16.9	17.0	17.0	17.0	17.0	136	
	Service Charge-Night Use	\$/month	2.330000	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1	
	Annual Demand	\$/kW	0.024400	2,359.3	2,554.7	2,804.3	2,752.0	2,819.4	2,414.6	2,322.0	2,375.9	20,402	
	Summer Demand, June-September	\$/kW	0.045300	-	2,554.7	2,804.3	2,752.0	2,819.4	-	-	-	10,930	
	Distribution kWhr, June-September	\$/kWhr	0.000057	-	734,613.6	806,176.9	804,727.9	810,596.1	-	-	-	3,156,115	
	Distribution kWhr, October-May	\$/kWhr	0.000020	653,585.4	-	-	-	-	670,423.2	644,858.8	702,213.0	2,671,080	
	Distribution kWhr, Night use, June-Sept	\$/kWhr	0.000020	-	2,312.8	2,304.8	2,546.4	2,519.0	-	-	-	9,683	
	Distribution kWhr, Night use, October-May	\$/kWhr	0.000020	2,169.8	-	-	-	-	2,408.2	2,310.8	2,618.7	9,507	
	BRDKA	\$/kWhr	(0.000003)	655,755.2	736,926.4	808,481.7	807,274.3	813,115.2	672,831.3	647,169.6	704,831.7	5,846,385	
	Total												-

PSE&G Capital Stimulus Infrastructure Investment Program
Electric CAC Monthly Revenue Forecast

			Units (000)									
Rate	Rate	CAC (w/o										
Schedule	Rate Components	Units	SUT)	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Mar-10	Total
LPL-Sec	Service Charge	\$/month	2.33	8.1	8.1	8.1	8.0	8.2	8.2	8.2	7.9	65
	Annual Demand	\$/kW	0.020200	2,576.6	2,646.0	2,755.2	2,601.2	2,653.7	2,604.6	2,554.3	2,479.9	20,872
	Summer Demand, June-September	\$/kW	0.048100	-	2,615.4	2,724.4	2,571.0	2,623.0	-	-	-	10,534
	Distribution	\$/kWhr	-	1,006,186.4	1,048,914.1	1,158,965.9	1,146,940.6	1,132,113.6	1,022,664.3	987,345.8	1,018,981.4	8,522,112
	BRDKA	\$/kWhr	(0.000003)	1,006,186.4	1,048,914.1	1,158,965.9	1,146,940.6	1,132,113.6	1,022,664.3	987,345.8	1,018,981.4	8,522,112
	Total											-
LPL- Pri	Service Charge	\$/month	2.33	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	7
	Service Charge-Primary Alternate	\$/month	0.120000	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	Annual Demand	\$/kW	0.009800	677.7	747.2	826.4	806.7	810.7	719.9	677.7	682.7	5,949
	Summer Demand, June-September	\$/kW	0.054500	-	740.8	818.4	798.9	802.8	-	-	-	3,161
	Distribution	\$/kWhr	-	-	-	-	-	-	-	-	-	-
	BRDKA	\$/kWhr	(0.000003)	310,046.1	346,594.9	383,127.0	374,046.0	366,878.6	333,390.3	320,696.8	336,357.8	2,771,137
	Total											-
HTS-Subtr	Service Charge	\$/month	12.830000	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2
	Annual Demand	\$/kW	0.006400	1,108.8	1,146.2	1,127.8	1,127.8	1,108.8	1,108.8	1,108.8	1,108.8	8,946
	Summer Demand, June-September	\$/kW	0.023300	-	716.9	849.8	793.7	784.9	-	-	-	3,145
	Distribution	\$/kWhr	-	352,443.3	346,051.8	410,833.7	383,373.7	379,932.3	342,510.8	344,617.9	348,385.3	2,908,149
	BRDKA	\$/kWhr	(0.000003)	352,443.3	346,051.8	410,833.7	383,373.7	379,932.3	342,510.8	344,617.9	348,385.3	2,908,149
	Total											-
HTS-HV	Service Charge	\$/month	11.54	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	Annual Demand	\$/kW	0.004000	147.8	154.8	149.8	149.8	147.8	147.8	147.8	147.8	1,194
	Distribution	\$/kWhr	-	-	-	-	-	-	-	-	-	-
	BRDKA	\$/kWhr	(0.000003)	37,567.9	37,131.5	43,858.1	40,989.3	40,465.1	36,837.8	36,715.3	37,525.8	311,091
	Total											-
HEP	Fixed Charge	\$/month	170.55	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	Distribution	\$/kWhr	-	6,421.0	6,405.2	5,901.3	5,841.1	6,153.4	5,596.4	5,695.7	5,277.5	47,291
	BRDKA	\$/kWhr	(0.000003)	-	-	-	-	-	-	-	-	-
	Total											-
BPL	Distribution Sum	\$/kWhr	0.000037	-	19,354.9	20,679.6	22,960.9	25,242.3	-	-	-	88,238
	Distribution Win	\$/kWhr	0.000037	21,704.0	-	-	-	-	29,216.3	30,982.5	33,558.3	115,461
	BRDKA	\$/kWhr	(0.000003)	21,704.0	19,354.9	20,679.6	22,960.9	25,242.3	29,216.3	30,982.5	33,558.3	203,699
	Total											-
BPL-POF	Distribution Sum	\$/kWhr	0.000037	-	975.9	1,042.7	1,157.7	1,272.8	-	-	-	4,449
	Distribution Win	\$/kWhr	0.000037	1,083.5	-	-	-	-	1,473.2	1,562.2	1,692.1	5,811
	BRDKA	\$/kWhr	(0.000003)	1,083.5	975.9	1,042.7	1,157.7	1,272.8	1,473.2	1,562.2	1,692.1	10,260
	Total											-
PSAL	Distribution Sum	\$/kWhr	0.000039	-	10,241.4	10,942.3	12,149.4	13,356.6	-	-	-	46,690
	Distribution Win	\$/kWhr	0.000039	11,495.7	-	-	-	-	15,459.4	16,394.0	17,756.9	61,106
	BRDKA	\$/kWhr	(0.000003)	11,495.7	10,241.4	10,942.3	12,149.4	13,356.6	15,459.4	16,394.0	17,756.9	107,796
	Total											-
Grand Total Electric CAC Revenue (\$000)				392.4	744.7	856.1	846.4	813.0	420.6	409.2	449.6	4,932

PSE&G Capital Stimulus Infrastructure Investment Program
Gas CAC Monthly Revenue Forecast

			Units (000)									
Rate Schedule	Rate Component	Rate Units	CACs									
			May-09 to Dec-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
RSG	Service Charge	\$/month	0.11	1,596.8	1,588.8	1,581.6	1,581.6	1,603.7	1,577.6	1,585.5	1,594.9	12,710.5
	Distribution Charge	\$/Therm	0.005062	71,277.0	41,951.3	35,230.7	31,484.6	34,981.3	47,499.0	106,076.4	195,071.6	563,571.9
	Off-Peak Use	\$/Therm	0.002431	-	-	-	-	-	-	-	-	-
	Margin Adjustment Charge	\$/Therm	(0.000487)	71,277.0	41,951.3	35,230.7	31,484.6	34,981.3	47,499.0	106,076.4	195,071.6	563,571.9
	Basic Gas Supply Service-RSG	\$/Therm	(0.000086)	71,277.0	41,951.3	35,230.7	31,484.6	34,981.3	47,499.0	106,076.4	195,071.6	563,571.9
	Total											
GSG	Service Charge	\$/month	0.18	140.3	139.4	138.5	138.6	139.3	138.1	139.0	139.8	1,113.1
	Distribution Charge - Pre July 14, 1997	\$/Therm	0.004401	173.8	99.5	79.2	68.0	84.4	87.6	230.7	438.6	1,261.8
	Distribution Charge - All Others	\$/Therm	0.004401	13,008.3	7,414.9	6,815.6	5,690.9	6,150.4	9,129.4	17,608.8	34,882.2	100,700.4
	Off-Peak Use Dist Charge - Pre July 14, 1997	\$/Therm	0.002179	-	-	-	-	-	-	-	-	-
	Off-Peak Use Dist Charge - All Others	\$/Therm	0.002386	-	-	-	-	-	-	-	-	-
	Margin Adjustment Charge	\$/Therm	(0.000487)	13,182.1	7,514.4	6,894.8	5,758.9	6,234.8	9,217.0	17,839.5	35,320.8	101,962.2
	Basic Gas Supply Service-Firm	\$/Therm	(0.000086)	13,182.1	7,514.4	6,894.8	5,758.9	6,234.8	9,217.0	17,839.5	35,320.8	101,962.2
	Total											
LVG	Service Charge	\$/month	1.71	18.1	18.0	18.0	18.0	18.1	18.2	18.2	18.2	144.8
	Demand Charge	\$/Demand Therm	0.065400	-	-	-	-	-	-	3,426.5	3,426.5	6,853.0
	Distribution Charge 0-1,000 pre July 14, 1997	\$/Therm	0.001021	1,231.8	936.7	890.1	813.4	839.0	931.3	1,277.4	1,346.0	8,265.6
	Distribution Charge over 1,000 pre July 14, 1997	\$/Therm	0.000596	4,721.1	3,565.6	3,002.5	2,685.5	3,340.2	4,751.9	4,452.2	10,592.3	37,111.2
	Distribution Charge 0-1,000 post July 14, 1997	\$/Therm	0.001021	12,786.0	11,828.0	10,596.0	10,498.0	10,319.0	12,167.0	14,036.0	17,497.0	99,727.0
	Distribution Charge over 1,000 post July 14, 1997	\$/Therm	0.000596	20,038.5	10,430.4	7,945.0	7,693.1	7,526.6	12,323.5	29,111.2	54,647.1	149,715.5
	Margin Adjustment Charge	\$/Therm	(0.000487)	38,777.4	26,760.6	22,433.6	21,690.0	22,024.8	30,173.7	48,876.8	84,082.4	294,819.3
	Basic Gas Supply Service-Firm	\$/Therm	(0.000086)	38,777.4	26,760.6	22,433.6	21,690.0	22,024.8	30,173.7	48,876.8	84,082.4	294,819.3
	Total											
SLG	Single-Mantle Lamp	\$/month/Unit	0.1995	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	6.9
	Double-Mantle Lamp, inverted	\$/month/Unit	0.1985	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
	Double Mantle Lamp, upright	\$/month/Unit	0.1896	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
	Triple-Mantle Lamp, prior to January 1, 1993	\$/month/Unit	0.1985	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	12.1
	Triple-Mantle Lamp, on and after January 1, 1993	\$/month/Unit	1.2075	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
	Margin Adjustment Charge	\$/Therm	(0.000487)	55.1	56.9	55.1	56.9	56.9	55.1	56.9	55.1	447.9
	Basic Gas Supply Service-Firm	\$/Therm	(0.000086)	55.1	56.9	55.1	56.9	56.9	55.1	56.9	55.1	447.9
	Total											
TSG-F	Service Charge	\$/month	8.79	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.6
	Demand Charge	\$/Demand Therm	0.032400	-	-	-	-	-	-	139.6	139.6	279.2
	Distribution Charge	\$/Therm	0.001240	3,610.7	3,095.1	2,724.7	2,713.7	2,940.7	2,673.7	2,919.9	3,485.9	24,164.4
	Margin Adjustment Charge	\$/Therm	(0.000487)	3,610.7	3,095.1	2,724.7	2,713.7	2,940.7	2,673.7	2,919.9	3,485.9	24,164.4
	Total											
TSG-NF	Service Charge	\$/month	8.79	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.2
	Distribution Charge 0-50,000	\$/Therm	0.001249	20,797.8	22,402.4	26,854.1	30,780.9	30,345.0	27,176.5	17,584.0	18,052.8	193,993.5
	Distribution Charge over 50,000	\$/Therm	0.001249	19,610.4	20,668.9	23,895.3	26,918.5	26,443.0	24,047.9	16,882.7	16,743.3	175,210.0
	Total											
CIG	Service Charge	\$/month	2.44	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
	Distribution Charge 0-600,000	\$/Therm	0.001111	3,453.2	3,050.7	2,698.7	2,989.1	2,924.8	2,604.2	2,565.9	3,064.9	23,351.7
	Distribution Charge over 600,000	\$/Therm	0.000912	1,942.4	1,716.0	1,518.0	1,681.4	1,645.2	1,464.9	1,443.3	1,724.0	13,135.3
	Extended Gas Service, Special Delivery Charge	\$/Therm	0.002010	-	-	-	-	-	-	-	-	-
	Total											
Grand Total Gas CAC Revenue (\$000)				671.5	518.3	493.0	480.9	500.1	558.0	1,064.2	1,535.7	5,821.7

APPENDIX D

MINIMUM FILING REQUIREMENTS

1. Public Service Electric and Gas Company's (the Company's) income statement for the most recent 12 month period, as filed with the New Jersey Board of Public Utilities ("BPU").
2. The Company's balance sheet for the most recent 12 month period, as filed with the BPU.
3. The Company's overall approved capital budget broken down by major categories, including distribution and incremental capital expenditures for the Qualifying Projects, both budgeted and actual amounts.
4. For each Qualifying Project or proposed new project:
 - a. The original project summary for each Qualifying Project;
 - b. Capital expenditures incurred to date;
 - c. Appropriate metric (e.g., poles replaced, linear feet of installed cable, etc.)
5. Anticipated project timeline with updates and expected changes.
6. A schedule detailing the Qualifying Projects and Non-Qualifying Projects to date as compared to the Company's original approved capital spending plans.
7. A summary of expenditures for each of the Qualifying Projects that identify each expenditure from project inception through the end of the current quarter.
8. A calculation of the proposed rate adjustment based on details related to Qualifying Projects included in Plant in Service.
 - a. A calculation of the associated depreciation expense, based on those projects closed to Plant in Service during the period.
9. A list of FTE equivalent jobs in accordance with paragraph 18 of the Stipulation.
10. A list of any and all funds or credits received from the United States government, the State of New Jersey, a county or a municipality as delineated in paragraph 29 of the Stipulation.
11. A monthly revenue requirement calculation based on actual capital expenditures, showing the actual monthly revenue requirement for each of the past twelve months, as well as supporting calculations.
12. Actual revenues, recorded under the CACs and the actual revenue requirements for qualified projects for each month pursuant to the tariff(s).
13. Monthly beginning and ending clause balances, as well as the average balance for the month.
14. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate.
15. The interest expense to be charged or credited to ratepayers each month.

APPENDIX E

PSE&G Capital Stimulus Infrastructure Investment Program
Electric Capital Adjustment Charge - Average Annual Rate Impacts
(kWh-000, \$-000)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
	Annual Revenue Change, Starting January of Each Year												
Rate Schedule	Current		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
	kWh	Revenue											
Residential	RS	13,684,735	\$2,341,421	\$2,147	\$16,725	\$27,185	\$26,058	\$25,034	\$24,168	\$23,238	\$22,460	\$21,719	\$20,879
Residential Heating	RHS	166,455	25,059	19	149	240	230	221	213	206	198	192	185
Residential Load Management	RLM	296,305	47,522	39	278	451	429	415	398	387	371	358	346
Water Heating	WH	3,295	480	1	4	7	7	7	7	7	6	6	6
Water Heating Storage	WHS	47	5	0.000	0.007	0.010	0.010	0.010	0.010	0.010	0.010	0.006	0.006
Building Heating	HS	24,543	4,032	5	32	55	51	49	47	46	44	43	41
General Lighting and Power	GLP	8,677,399	1,428,234	1,273	8,472	13,773	13,129	12,675	12,204	11,788	11,347	10,916	10,584
Large Power & Lighting-Sec	LPL-Sec	12,696,019	1,846,210	1,052	7,072	11,497	10,958	10,582	10,174	9,836	9,468	9,120	8,821
Large Power & Lighting-Pri	LPL- Pri	4,092,582	570,385	239	1,444	2,349	2,238	2,161	2,077	2,008	1,934	1,863	1,801
High Tension-Subtr.	HTS-Subtr	4,275,228	561,382	141	942	1,533	1,459	1,409	1,355	1,310	1,262	1,215	1,174
High Tension-HV	HTS-HV	457,365	56,513	5	39	63	60	57	56	53	52	50	48
Hourly Energy Pricing	HEP	71,109	10,384	2	9	15	15	15	14	13	13	12	12
Body Politic Ligting	BPL	315,935	73,915	7	58	93	89	86	82	79	77	74	72
Body Politic Ligting-POF	BPL-POF	15,863	1,855	0	3	5	5	4	4	4	4	4	4
Private Street & Area Lighting	PSAL	<u>167,243</u>	<u>44,033</u>	<u>4</u>	<u>33</u>	<u>53</u>	<u>50</u>	<u>48</u>	<u>46</u>	<u>45</u>	<u>43</u>	<u>42</u>	<u>40</u>
Totals		<u>44,944,123</u>	<u>\$7,011,430</u>	<u>\$4,934</u>	<u>\$35,260</u>	<u>\$57,319</u>	<u>\$54,778</u>	<u>\$52,763</u>	<u>\$50,845</u>	<u>\$49,020</u>	<u>\$47,279</u>	<u>\$45,614</u>	<u>\$44,013</u>
	% Rate Change from Current Rates, Starting January of Each Year												
			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Residential	RS		0.09%	0.71%	1.16%	1.11%	1.07%	1.03%	0.99%	0.96%	0.93%	0.89%	
Residential Heating	RHS		0.08%	0.59%	0.96%	0.92%	0.88%	0.85%	0.82%	0.79%	0.77%	0.74%	
Residential Load Management	RLM		0.08%	0.58%	0.95%	0.90%	0.87%	0.84%	0.81%	0.78%	0.75%	0.73%	
Water Heating	WH		0.21%	0.83%	1.46%	1.46%	1.46%	1.46%	1.46%	1.25%	1.25%	1.25%	
Water Heating Storage	WHS		0.00%	0.14%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.12%	0.12%	
Building Heating	HS		0.12%	0.79%	1.36%	1.26%	1.22%	1.17%	1.14%	1.09%	1.07%	1.02%	
General Lighting and Power	GLP		0.09%	0.59%	0.96%	0.92%	0.89%	0.85%	0.83%	0.79%	0.76%	0.74%	
Large Power & Lighting-Sec	LPL-Sec		0.06%	0.38%	0.62%	0.59%	0.57%	0.55%	0.53%	0.51%	0.49%	0.48%	
Large Power & Lighting-Pri	LPL- Pri		0.04%	0.25%	0.41%	0.39%	0.38%	0.36%	0.35%	0.34%	0.33%	0.32%	
High Tension-Subtr.	HTS-Subtr		0.03%	0.17%	0.27%	0.26%	0.25%	0.24%	0.23%	0.22%	0.22%	0.21%	
High Tension-HV	HTS-HV		0.01%	0.07%	0.11%	0.11%	0.10%	0.10%	0.09%	0.09%	0.09%	0.08%	
Hourly Energy Pricing	HEP		0.02%	0.09%	0.14%	0.14%	0.14%	0.13%	0.13%	0.13%	0.12%	0.12%	
Body Politic Ligting	BPL		0.01%	0.08%	0.13%	0.12%	0.12%	0.11%	0.11%	0.10%	0.10%	0.10%	
Body Politic Ligting-POF	BPL-POF		0.00%	0.16%	0.27%	0.27%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	
Private Street & Area Lighting	PSAL		0.01%	0.07%	0.12%	0.11%	0.11%	0.10%	0.10%	0.10%	0.10%	0.09%	
Totals			0.07%	0.50%	0.82%	0.78%	0.75%	0.73%	0.70%	0.67%	0.65%	0.63%	

Notes: All customers assumed to be on BGS.
WHS revenues shown to 3 decimals.
Units based upon Forecast used for annual BGS filing (12 months ended May 31, 2010).
Revenue does not include Sales & Use tax

PSE&G Capital Stimulus Infrastructure Investment Program
Gas Capital Adjustment Charge - Average Annual Rate Impacts
(Therms-000, \$-000)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Rate Schedule	Current		Annual Revenue Change, Starting January of Each Year									
	Therms	Revenue	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Residential Service RSG	1,419,005	\$2,104,150	\$3,927	\$15,123	\$23,353	\$22,476	\$21,553	\$20,686	\$19,893	\$19,145	\$18,411
General Service GSG	265,760	383,836	591	2,387	3,691	3,546	3,395	3,270	3,140	3,016	2,912	2,793
Large Volume Service LVG	673,969	880,085	746	3,026	4,689	4,511	4,316	4,139	3,979	3,836	3,691	3,551
Street Lighting Service SLG	672	1,094.694	<u>3,720</u>	<u>9,855</u>	<u>15,271</u>	<u>14,687</u>	<u>14,059</u>	<u>13,479</u>	<u>12,961</u>	<u>12,483</u>	<u>12,019</u>	<u>11,568</u>
Subtotal	2,359,406	\$3,369,166	\$5,268	\$20,546	\$31,748	\$30,548	\$29,278	\$28,108	\$27,025	\$26,009	\$25,026	\$24,050
Firm Transportation Gas Service TSG-F	40,369	\$50,737	\$32	\$117	\$183	\$174	\$167	\$159	\$153	\$147	\$143	\$137
Non- Firm Transportation Gas Service TSG-NF	528,107	632,982	480	1,184	1,835	1,765	1,689	1,619	1,557	1,499	1,444	1,390
Cogeneration Interruptible Service CIG	57,385	63,172	<u>39</u>	<u>103</u>	<u>160</u>	<u>154</u>	<u>148</u>	<u>141</u>	<u>135</u>	<u>131</u>	<u>125</u>	<u>121</u>
Subtotal	625,861	\$746,891	\$551	\$1,404	\$2,178	\$2,093	\$2,004	\$1,919	\$1,845	\$1,777	\$1,712	\$1,648
Totals	<u>2,985,267</u>	<u>\$4,116,057</u>	<u>\$5,819</u>	<u>\$21,950</u>	<u>\$33,926</u>	<u>\$32,641</u>	<u>\$31,282</u>	<u>\$30,027</u>	<u>\$28,870</u>	<u>\$27,786</u>	<u>\$26,738</u>	<u>\$25,698</u>
			% Rate Change from Current Rates, Starting January of Each Year									
			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential Service RSG			0.19%	0.72%	1.11%	1.07%	1.02%	0.98%	0.95%	0.91%	0.87%	0.84%
General Service GSG			0.15%	0.62%	0.96%	0.92%	0.88%	0.85%	0.82%	0.79%	0.76%	0.73%
Large Volume Service LVG			0.08%	0.34%	0.53%	0.51%	0.49%	0.47%	0.45%	0.44%	0.42%	0.40%
Street Lighting Service SLG			0.34%	0.90%	1.40%	1.34%	1.28%	1.23%	1.18%	1.14%	1.10%	1.06%
Subtotal			0.16%	0.61%	0.94%	0.91%	0.87%	0.83%	0.80%	0.77%	0.74%	0.71%
Firm Transportation Gas Service TSG-F			0.06%	0.23%	0.36%	0.34%	0.33%	0.31%	0.30%	0.29%	0.28%	0.27%
Non- Firm Transportation Gas Service TSG-NF			0.08%	0.19%	0.29%	0.28%	0.27%	0.26%	0.25%	0.24%	0.23%	0.22%
Cogeneration Interruptible Service CIG			0.06%	0.16%	0.25%	0.24%	0.23%	0.22%	0.21%	0.21%	0.20%	0.19%
Subtotal			0.07%	0.19%	0.29%	0.28%	0.27%	0.26%	0.25%	0.24%	0.23%	0.22%
Totals			0.14%	0.53%	0.82%	0.79%	0.76%	0.73%	0.70%	0.68%	0.65%	0.62%

Notes: All customers assumed to be on BGSS
Supply for all rates except BGSS-RSG is 12 mos. ended Dec 2008, Wtd average
SLG units and revenues shown to 3 decimals
Units based upon Forecast used for annual BGSS-RSG filing (12 months ended Sept 30, 2009).
Revenue does not include Sales & Use tax

**PSE&G Capital Stimulus Infrastructure Investment Program
Residential Typical Annual Bill Impacts**

Electric			CACs with SUT, Starting January of Each Year									
Units	Rate Component	Current	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
RS	\$/mo. Service Charge	\$2.43	\$0.02	\$0.09	\$0.14	\$0.14	\$0.13	\$0.13	\$0.12	\$0.12	\$0.12	\$0.11
	\$/kWh Distribution 0-600, June-Septembe	\$0.030591	\$0.000184	\$0.000995	\$0.001617	\$0.001542	\$0.001488	\$0.001432	\$0.001384	\$0.001332	\$0.001283	\$0.001242
	\$/kWh Distribution 0-600, October-May	\$0.038770	\$0.000240	\$0.001290	\$0.002097	\$0.002001	\$0.001931	\$0.001856	\$0.001795	\$0.001728	\$0.001664	\$0.001611
	\$/kWh Distribution over 600, June-Septerr	\$0.034680	\$0.000212	\$0.001143	\$0.001858	\$0.001771	\$0.001710	\$0.001644	\$0.001589	\$0.001530	\$0.001473	\$0.001426
	\$/kWh Distribution over 600, October-May	\$0.038770	\$0.000240	\$0.001290	\$0.002097	\$0.002001	\$0.001931	\$0.001856	\$0.001795	\$0.001728	\$0.001664	\$0.001611
	\$/kWh BRDKA	(\$0.000534)	(\$0.000003)	(\$0.000019)	(\$0.000031)	(\$0.000030)	(\$0.000029)	(\$0.000028)	(\$0.000027)	(\$0.000026)	(\$0.000025)	(\$0.000025)
			Base Distribution Rate Revenue with SUT, Starting January of Each Year									
		Current	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
722	Avg RS kWh / Summer M June - Septemeber Bill	\$24.62	\$24.79	\$25.44	\$25.94	\$25.89	\$25.84	\$25.79	\$25.75	\$25.72	\$25.68	\$25.64
509	Avg RS kWh / Winter Mo. Winter Bill	\$21.89	\$22.04	\$22.63	\$23.08	\$23.03	\$22.99	\$22.95	\$22.91	\$22.87	\$22.85	\$22.81
6,960	Avg RS kWh / yr. Annual Base Distribution Rate Rev	\$273.60	\$275.48	\$282.80	\$288.40	\$287.80	\$287.28	\$286.76	\$286.28	\$285.84	\$285.52	\$285.04
Annual \$ Change to Typical Residential Electric Bill			\$1.88	\$9.20	\$14.80	\$14.20	\$13.68	\$13.16	\$12.68	\$12.24	\$11.92	\$11.44
Annual Typical Residential Electric Bill			\$1,269.28									
% Annual Change to Typical Residential Electric Bill			0.15%	0.72%	1.17%	1.12%	1.08%	1.04%	1.00%	0.96%	0.94%	0.90%
Gas			CACs with SUT, Starting January of Each Year									
Units	Rate Component	Current	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	\$/mo. Service Charge	\$5.84	\$0.12	\$0.20	\$0.31	\$0.30	\$0.29	\$0.28	\$0.27	\$0.26	\$0.25	\$0.24
	\$/Therm Distribution Charge	\$0.296957	\$0.005416	\$0.009310	\$0.014431	\$0.013875	\$0.013283	\$0.012735	\$0.012247	\$0.011796	\$0.011355	\$0.010930
	\$/Therm MAC	(\$0.007855)	(\$0.000521)	(\$0.000528)	(\$0.000819)	(\$0.000786)	(\$0.000753)	(\$0.000722)	(\$0.000694)	(\$0.000669)	(\$0.000644)	(\$0.000620)
	\$/Therm BGSS	1.103449	(\$0.000092)	(\$0.000109)	(\$0.000170)	(\$0.000163)	(\$0.000156)	(\$0.000149)	(\$0.000143)	(\$0.000138)	(\$0.000133)	(\$0.000128)
			Base Distribution Rate Revenue + BGSS with SUT, Starting January of Each Year									
Therms/mo. # of Mo.												
200	4	December - March Bill	284.35	285.42	286.28	287.36	287.24	287.12	287	286.9	286.81	286.71
103	2	November & April Bill	149.28	149.89	150.37	150.97	150.91	150.83	150.78	150.72	150.66	150.61
34	6	May - October Bill	53.19	53.47	53.67	53.96	53.93	53.9	53.87	53.84	53.82	53.79
Annual Base Distribution Rate Revenue + BGSS Revenue			1755.1	1762.28	1767.88	1775.14	1774.36	1773.54	1772.78	1772.08	1771.48	1770.8
Annual \$ Change to Typical Residential Gas Bill			\$7.18	\$12.78	\$20.04	\$19.26	\$18.44	\$17.68	\$16.98	\$16.38	\$15.70	\$15.12
Annual Typical Residential Gas Bill			\$1,894.72									
% Annual Change to Typical Residential Gas Bill			0.38%	0.67%	1.06%	1.02%	0.97%	0.93%	0.90%	0.86%	0.83%	0.80%

APPENDIX F

APPENDIX F

Public Service Electric and Gas Company

Quarterly Report on Capital Expenditures and Job Creation Related to Qualifying Projects

<u>Proposed Infrastructure Project</u>	<u>Project Type</u>	<u>Estimated Quantity</u>	<u>Major Tasks</u>	<u>Tasks Completed To Date</u>	<u>Quantity Completed To Date</u>	<u>Percent of Quantity/Tasks Completed To Date</u>	<u>Total Estimated Cost</u>	<u>Actual Cost To Date</u>	<u>Percent of Cost To Date</u>	<u>Project Completion Date</u>	<u>Total Jobs To Be Created</u>	<u>Jobs Created To Date</u>	<u>Non-Qualifying Project Budget</u>		<u>Qualifying Project</u>		<u>Qualifying Project</u>	
													<u>Actual Spending For The Budget Year</u>	<u>Budgeted Spending For The Budget Year</u>	<u>Actual Spending For The Rate Period</u>	<u>Forecast Spending For The Rate Period</u>		
(a)	(b)	(c)*	(d)*	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)*	(m)*	(n)*	(o)*	(p)*	(q)*		

- Notes: 1. For column c & d-if the project cannot be quantified with numbers then it should be broken down into major tasks to be completed. e.g. desgn phase, material procurement, permit gathering, phases of construction etc.
2. For column N & O the amounts includes only normal spending for the budget year and do not include any spending associated with the qualified projects in Exhibit A. The Board of Directors of PSEG has only approved the current year (2009) budget and years beyond 2009 in the Business Plan have not been approved by the BOD
3. See Attached Gantt Charts for each project
4. For columns P & Q, the "Rate Period" is e.g., "CAC Period 1", etc.
5. For colums L & M, calculated in accordance with paragraph 28 of the Stipulation

APPENDIX G

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Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No. EO09010050

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 14 ELECTRIC

Original Sheet No. 64D

CAPITAL ADJUSTMENT CHARGES

<u>Rate Schedule</u>		<u>Charges</u>	<u>Charges Including SUT</u>
<u>RS</u>			
Service Charge	per Month	\$ 0.02	\$ 0.02
Distribution 0-600, June-September	per kWhr	0.0172 ¢	0.0184 ¢
Distribution 0-600, October-May	per kWhr	0.0224 ¢	0.0240 ¢
Distribution over 600, June-September	per kWhr	0.0198 ¢	0.0212 ¢
Distribution over 600, October-May	per kWhr	0.0224 ¢	0.0240 ¢
<u>RHS</u>			
Service Charge	per Month	\$ 0.02	\$ 0.02
Distribution 0-600, June-September	per kWhr	0.0289 ¢	0.0309 ¢
Distribution 0-600, October-May	per kWhr	0.0187 ¢	0.0200 ¢
Distribution over 600, June-September	per kWhr	0.0322 ¢	0.0345 ¢
Distribution over 600, October-May	per kWhr	0.0069 ¢	0.0074 ¢
Common Use	per kWhr	0.0322 ¢	0.0345 ¢
<u>RLM</u>			
Service Charge	per Month	\$ 0.09	\$ 0.10
Distribution, June-September, On-Peak	per kWhr	0.0336 ¢	0.0360 ¢
Distribution, June-September, Off-Peak	per kWhr	0.0078 ¢	0.0083 ¢
Distribution, October-May, On-Peak	per kWhr	0.0078 ¢	0.0083 ¢
Distribution, October-May, Off-Peak	per kWhr	0.0078 ¢	0.0083 ¢
<u>WH</u>			
Distribution	per kWhr	0.0266 ¢	0.0285 ¢
<u>WHS</u>			
Service Charge	per Month	\$ 0.00	\$ 0.00
Distribution	per kWhr	0.0000 ¢	0.0000 ¢

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 14 ELECTRIC

Original Sheet No. 64E

CAPITAL ADJUSTMENT CHARGES
(Continued)

<u>Rate Schedule</u>		<u>Charges</u>	<u>Charges Including SUT</u>
<u>HS</u>			
Service Charge	per Month	\$ 0.02	\$ 0.02
Distribution, June-September	per kWhr	0.0494 ¢	0.0529 ¢
Distribution, October-May	per kWhr	0.0181 ¢	0.0194 ¢
<u>GLP</u>			
Service Charge	per Month	\$ 0.03	\$ 0.03
Service Charge-Unmetered	per Month	\$ 0.01	\$ 0.01
Service Charge-Night Use	per Month	\$ 2.33	\$ 2.49
Annual Demand	per kW	\$ 0.0244	\$ 0.0261
Summer Demand, June-September	per kW	\$ 0.0453	\$ 0.0485
Distribution kWhr, June-September	per kWhr	0.0057 ¢	0.0061 ¢
Distribution kWhr, October-May	per kWhr	0.0020 ¢	0.0021 ¢
Distribution kWhr, Night Use, June-September	per kWhr	0.0020 ¢	0.0021 ¢
Distribution kWhr, Night Use, October- May	per kWhr	0.0020 ¢	0.0021 ¢
<u>LPL-Secondary</u>			
Service Charge	per Month	\$ 2.33	\$ 2.49
Annual Demand	per kW	\$ 0.0202	\$ 0.0216
Summer Demand, June-September	per kW	\$ 0.0481	\$ 0.0515
Distribution	per kWhr	0.0000 ¢	0.0000 ¢
<u>LPL- Primary</u>			
Service Charge	per Month	\$ 2.33	\$ 2.49
Service Charge-Primary Alternate	per Month	\$ 0.12	\$ 0.13
Annual Demand	per kW	\$ 0.0098	\$ 0.0105
Summer Demand, June-September	per kW	\$ 0.0545	\$ 0.0593
Distribution	per kWhr	0.0000 ¢	0.0000 ¢

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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 14 ELECTRIC

Original Sheet No. 64F

CAPITAL ADJUSTMENT CHARGES
(Continued)

<u>Rate Schedule</u>		<u>Charges</u>	<u>Charges Including SUT</u>
<u>HTS-Subtransmission</u>			
Service Charge	per Month	\$ 12.83	\$ 13.73
Annual Demand	per kW	\$ 0.0064	\$ 0.0068
Summer Demand, June-September	per kW	\$ 0.0233	\$ 0.0249
Distribution	per kWhr	0.0000 ¢	0.0000 ¢
<u>HTS-High Voltage</u>			
Service Charge	per Month	\$ 11.54	\$ 12.35
Annual Demand	per kW	\$ 0.0040	\$ 0.0043
Distribution	per kWhr	0.0000 ¢	0.0000 ¢
<u>HEP</u>			
Distribution Fixed Charge	per Month	\$ 170.55	\$ 182.49
Distribution	per kWhr	0.0000 ¢	0.0000 ¢
<u>BPL</u>			
Distribution	per kWhr	0.0037 ¢	0.0040 ¢
<u>BPL-POF</u>			
Distribution	per kWhr	0.0037 ¢	0.0040 ¢
<u>PSAL</u>			
Distribution	per kWhr	0.0039 ¢	0.0042 ¢
<u>Other Delivery Charge</u>			
Base Rate Distribution Kilowatthour Adjustment	per kWhr	(0.0003) ¢	(0.0003) ¢

CAPITAL ADJUSTMENT CHARGE

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements.

The charges will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over-recovered balances. The interest rate shall be reset each month.

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80 Park Plaza, Newark, New Jersey 07102
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Seventh Revised Sheet No. 81

B.P.U.N.J. No. 14 ELECTRIC

Superseding

Sixth Revised Sheet No. 81

**RATE SCHEDULE RS
RESIDENTIAL SERVICE
(Continued)**

Base Rate Distribution Kilowatthour Adjustment:

This adjustment provides a credit to the Distribution Kilowatthour Charges. Refer to the Base Rate Distribution Kilowatthour Adjustment sheet of this Tariff for the current adjustment.

Solar Pilot Recovery Charge:

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Base Rate Distribution Kilowatthour Adjustment, the Solar Pilot Recovery Charge and the RGGI Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatthour Charges and the Base Rate Distribution Kilowatthour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Fixed Pricing (BGS – FP) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – Fixed Pricing (BGS – FP) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule RS.

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80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Seventh Revised Sheet No. 86

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Sixth Revised Sheet No. 86

**RATE SCHEDULE RHS
RESIDENTIAL HEATING SERVICE
(Continued)**

Customer Account Services Charge:

This charge is designed to recover costs to implement certain customer account services. Refer to the Customer Account Services Charge sheet of this Tariff for the current charge. This charge will be combined with the Service Charge for billing.

Base Rate Distribution Kilowatt-hour Adjustment:

This adjustment provides a credit to the Distribution Kilowatt-hour Charges. Refer to the Base Rate Distribution Kilowatt-hour Adjustment sheet of this Tariff for the current adjustment.

Solar Pilot Recovery Charge:

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Base Rate Distribution Kilowatt-hour Adjustment, the Solar Pilot Recovery Charge and the RGGI Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatt-hour Charges and the Base Rate Distribution Kilowatt-hour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Fixed Pricing (BGS – FP) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – Fixed Pricing (BGS – FP) default service.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 87

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Second Revised Sheet No. 87

**RATE SCHEDULE RHS
RESIDENTIAL HEATING SERVICE
(Continued)**

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule RHS.

MINIMUM CHARGE:

Where all or part of the electricity utilized by the customer is produced from on-site generation equipment and not delivered by Public Service, a Monthly Minimum charge of \$2.95 (\$3.16 including SUT) per kW of Measured Peak Demand shall be applied. The customer's Measured Peak Demand in any month shall be the greatest average number of kilowatts delivered by Public Service during any thirty-minute interval as registered by a demand meter furnished by Public Service. Revenue to satisfy the Monthly Minimum requirement shall be derived solely from Distribution Kilowatthour Charges.

GENERATION CAPACITY AND TRANSMISSION OBLIGATIONS:**Generation Obligation:**

The customer's Generation Obligation, in kilowatts, is determined by Public Service no less frequently than once a year. The Generation Obligation for existing customers or for new customers utilizing an existing building or premise is based upon the customer's share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. The Generation Obligation for customers taking service in a new building or premise, as determined by Public Service, is based upon the load requirements, as estimated by Public Service, of the customer's building or premise. The Generation Obligation represents the generator capacity that PJM requires an electric supplier to have available to provide electric supply to a customer.

Transmission Obligation:

The customer's Transmission Obligation, in kilowatts, is determined in a similar manner to the Generation Obligation described above. The Transmission Obligation represents the level of transmission network service that must be procured by the customer's electric supplier from PJM to provide service to the customer.

Costs associated with the Generation and Transmission Obligations are included in the charges for Basic Generation Service and may affect the price offered by a Third Party Supplier.

TERMS OF PAYMENT:

Bills are due on presentation.

TERM:

Customer may discontinue delivery service upon notice.

SPECIAL PROVISIONS:

- (a) **General Limitations on Service:** This rate schedule is available where space heating equipment is permanently installed and is operated at not less than 208 volts and where all service is measured by one meter, except for service provided under Rate Schedules WH and WHS:

(a-1) In individual residences and appurtenant outbuildings;

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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B.P.U.N.J. No. 14 ELECTRIC

Superseding
Second Revised Sheet No. 88

**RATE SCHEDULE RHS
RESIDENTIAL HEATING SERVICE
(Continued)**

- (a-2) In individual apartments in a multiple-family building;
- (a-3) In all-electric multiple-family building where electricity is furnished to the tenants as an incident to tenancy and is included in the rent, provided that the number of kilowatthours in each block of the Kilowatthour Charge are multiplied by the number of individual flats or apartments, whether occupied or not;
- (a-4) Common-use equipment in an all electric multiple-family building in which each tenant is served individually under this rate schedule. The Distribution Charge for the kilowatthours used in each month shall be 5.0928¢ per kilowatthour (5.4493¢ including SUT).
- (b) **Limitations on Water Heating Service:** When electricity is used for water heating under this rate schedule, such service shall be to an automatic type water heater approved by Public Service; furthermore, if the water heater is equipped with more than one heating element, the thermostats controlling the heating elements shall be interlocked so that only one of such elements can operate at a time.
- If water is centrally heated under (a-4), equipment shall be of an automatic type approved by Public Service, and billing under this rate schedule is not required.
- (c) **Resale:** Service under this rate schedule is not available for resale.
- (d) **TPS Supply:** Customers who desire to purchase their electric supply from a TPS may request an enrollment package from Public Service that describes the process necessary for the customer to obtain a TPS for electric supply. This package will be provided to the customer at no charge by Public Service.
- (d-1) The customer must contract with a TPS to arrange for deliveries to Public Service of the electric supply. A customer is limited to one TPS for electric supply for each account for which the customer receives delivery service.
- (d-2) The customer's TPS is required to notify Public Service of the customer's selection prior to 20 days before the customer's scheduled Public Service meter reading date for deliveries to commence on such scheduled meter reading date, and such selection shall remain in effect for the entire billing month. Customer can change TPSs effective only on the date of the customer's scheduled Public Service meter reading date.

STATE OF NEW JERSEY AUTHORIZED TAXES:

The Transitional Energy Facility Assessment and the New Jersey Sales and Use Tax are applied in accordance with P.L. 1997, c. 162, as amended by P.L. 2006, c. 44, and are included in the appropriate charges in this rate schedule. See Section 16 of the Standard Terms and Conditions for additional details and/or exceptions.

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions of this Tariff.

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80 Park Plaza, Newark, New Jersey 07102
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Sixth Revised Sheet No. 91

B.P.U.N.J. No. 14 ELECTRIC

Superseding

Fifth Revised Sheet No. 91

**RATE SCHEDULE RLM
RESIDENTIAL LOAD MANAGEMENT SERVICE**

(Continued)

Solar Pilot Recovery Charge:

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Base Rate Distribution Kilowattour Adjustment, the Solar Pilot Recovery Charge and the RGGI Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowattour Charges and the Base Rate Distribution Kilowattour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Fixed Pricing (BGS – FP) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – Fixed Pricing (BGS – FP) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowattours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule RLM.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 92

B.P.U.N.J. No. 14 ELECTRIC

Superseding
First Revised Sheet No. 92

RATE SCHEDULE RLM
RESIDENTIAL LOAD MANAGEMENT SERVICE
(Continued)

MINIMUM CHARGE:

Where all or part of the electricity utilized by the customer is produced from on-site generation equipment and not delivered by Public Service, a Monthly Minimum charge of \$2.95 (\$3.16 including SUT) per kW of Measured Peak Demand shall be applied. The customer's Measured Peak Demand in any month shall be the greatest average number of kilowatts delivered by Public Service during any thirty-minute interval as registered by a demand meter furnished by Public Service. Revenue to satisfy the Monthly Minimum requirement shall be derived solely from Distribution Kilowatthour Charges.

GENERATION CAPACITY AND TRANSMISSION OBLIGATIONS:**Generation Obligation:**

The customer's Generation Obligation, in kilowatts, is determined by Public Service no less frequently than once a year. The Generation Obligation for existing customers or for new customers utilizing an existing building or premise is based upon the customer's share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. The Generation Obligation for customers taking service in a new building or premise, as determined by Public Service, is based upon the load requirements, as estimated by Public Service, of the customer's building or premise. The Generation Obligation represents the generator capacity that PJM requires an electric supplier to have available to provide electric supply to a customer.

Transmission Obligation:

The customer's Transmission Obligation, in kilowatts, is determined in a similar manner to the Generation Obligation described above. The Transmission Obligation represents the level of transmission network service that must be procured by the customer's electric supplier from PJM to provide service to the customer.

Costs associated with the Generation and Transmission Obligations are included in the charges for Basic Generation Service and may affect the price offered by a Third Party Supplier.

TIME PERIODS:

The On-Peak time period shall be considered as the hours from 7 A.M. to 9 P.M. (EST) Monday through Friday. All other hours shall be considered the Off-Peak time period.

TERMS OF PAYMENT:

Bills are due on presentation.

TERM:

The term for delivery service is one year and thereafter until terminated by five days notice.

SPECIAL PROVISIONS:

(a) **Limitations on Service:** This rate schedule is available where all service is measured by one meter, except for service provided under Rate Schedules WH or WHS:

(a-1) In individual residences and appurtenant outbuildings;

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 93

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Second Revised Sheet No. 93

RATE SCHEDULE RLM
RESIDENTIAL LOAD MANAGEMENT SERVICE
(Continued)

- (a-2) In residential premises where customer's use of electric service for purposes other than residential is incidental to its residential use;
- (a-3) On residential farms;
- (a-4) For rooming or boarding houses where the number of rented rooms does not exceed twice the number of bedrooms occupied by the customer;
- (a-5) To a customer in a two- or three-family building who has the service for incidental common-use equipment registered on its meter;
- (a-6) In individual flats or apartments in multiple-family buildings;
- (a-7) In multiple-family buildings of two or more individual flats or apartments where electric service is furnished to the tenants or occupants of the flats or apartments by the owner without a specific charge for such service.
- (b) **Resale:** Service under this rate schedule is not available for resale.
- (c) **TPS Supply:** Customers who desire to purchase their electric supply from a TPS may request an enrollment package from Public Service that describes the process necessary for the customer to obtain a TPS for electric supply. This package will be provided to the customer at no charge by Public Service.
 - (c-1) The customer must contract with a TPS to arrange for deliveries to Public Service of the electric supply. A customer is limited to one TPS for electric supply for each account for which the customer receives delivery service.
 - (c-2) The customer's TPS is required to notify Public Service of the customer's selection prior to 20 days before the customer's scheduled Public Service meter reading date for deliveries to commence on such scheduled meter reading date, and such selection shall remain in effect for the entire billing month. Customer can change TPSs effective only on the date of the customer's scheduled Public Service meter reading date.

STATE OF NEW JERSEY AUTHORIZED TAXES:

The Transitional Energy Facility Assessment and the New Jersey Sales and Use Tax are applied in accordance with P.L. 1997, c. 162, as amended by P.L. 2006, c. 44, and are included in the appropriate charges in this rate schedule. See Section 16 of the Standard Terms and Conditions for additional details and/or exceptions.

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions of this Tariff.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 96

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Second Revised Sheet No. 96

**RATE SCHEDULE WH
WATER HEATING SERVICE**

(Continued)

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Base Rate Distribution Kilowatt-hour Adjustment, the Solar Pilot Recovery Charge and the RGGI Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Distribution Kilowatt-hour Charges and the Base Rate Distribution Kilowatt-hour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Fixed Pricing (BGS – FP) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – Fixed Pricing (BGS – FP) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatt-hours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule WH.

GENERATION CAPACITY AND TRANSMISSION OBLIGATIONS:**Generation Obligation:**

The customer's Generation Obligation, in kilowatts, is determined by Public Service no less frequently than once a year. The Generation Obligation for existing customers or for new customers utilizing an existing building or premise is based upon the customer's share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. The Generation Obligation for customers taking service in a new building or premise, as determined by Public Service, is based upon the load requirements, as estimated by Public Service, of the customer's building or premise. The Generation Obligation represents the generator capacity that PJM requires an electric supplier to have available to provide electric supply to a customer.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 101

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Second Revised Sheet No. 101

**RATE SCHEDULE WHS
WATER HEATING STORAGE SERVICE**

(Continued)

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Base Rate Distribution Kilowatthour Adjustment, the Solar Pilot Recovery Charge and the RGGI Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatthour Charges and the Base Rate Distribution Kilowatthour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Fixed Pricing (BGS – FP) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – Fixed Pricing (BGS – FP) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule WHS.

GENERATION CAPACITY AND TRANSMISSION OBLIGATIONS:**Generation Obligation:**

The customer's Generation Obligation, in kilowatts, is determined by Public Service no less frequently than once a year. The Generation Obligation for existing customers or for new customers utilizing an existing building or premise is based upon the customer's share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. The Generation Obligation for customers taking service in a new building or premise, as determined by Public Service, is based upon the load requirements, as estimated by Public Service, of the customer's building or premise. The Generation Obligation represents the generator capacity that PJM requires an electric supplier to have available to provide electric supply to a customer.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Eighth Revised Sheet No. 106

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Seventh Revised Sheet No. 106

**RATE SCHEDULE HS
BUILDING HEATING SERVICE
(Continued)**

Base Rate Distribution Kilowatt-hour Adjustment:

This adjustment provides a credit to the Distribution Kilowatt-hour Charges. Refer to the Base Rate Distribution Kilowatt-hour Adjustment sheet of this Tariff for the current adjustment.

Solar Pilot Recovery Charge:

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Base Rate Distribution Kilowatt-hour Adjustment, the Solar Pilot Recovery Charge and the RGGI Recovery Charge shall be combined for billing. The CIEP Standby Fee shall also be combined with these charges where applicable.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatt-hour Charges and the Base Rate Distribution Kilowatt-hour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied by Public Service through its Basic Generation Service - Fixed Pricing (BGS – FP) default service. Customers may elect BGS-CIEP as their default supply but must notify Public Service of their election of BGS-CIEP as their default supply no later than the second business day in January of each year. Such election shall be effective June 1st of that year and BGS-CIEP will remain as the customer's default supply until they notify Public Service of their election of BGS-FP as their default supply no later than the second business day in January and their election of BGS-FP shall be effective June 1st of that year.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 107

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Second Revised Sheet No. 107

**RATE SCHEDULE HS
BUILDING HEATING SERVICE
(Continued)**

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule HS.

GENERATION CAPACITY AND TRANSMISSION OBLIGATIONS:**Generation Obligation:**

The customer's Generation Obligation, in kilowatts, is determined by Public Service no less frequently than once a year. The Generation Obligation for existing customers or for new customers utilizing an existing building or premise is based upon the customer's share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. The Generation Obligation for customers taking service in a new building or premise, as determined by Public Service, is based upon the load requirements, as estimated by Public Service, of the customer's building or premise. The Generation Obligation represents the generator capacity that PJM requires an electric supplier to have available to provide electric supply to a customer.

Transmission Obligation:

The customer's Transmission Obligation, in kilowatts, is determined in a similar manner to the Generation Obligation described above. The Transmission Obligation represents the level of transmission network service that must be procured by the customer's electric supplier from PJM to provide service to the customer.

Costs associated with the Generation and Transmission Obligations are included in the charges for Basic Generation Service and may affect the price offered by a Third Party Supplier.

TERMS OF PAYMENT:

Bills are due on presentation subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 9.12 of the Standard Terms and Conditions. Service to a body politic will not be subject to a late payment charge.

TERM:

The term for delivery service is one year and thereafter until terminated by five days notice.

Customers who transfer from third party supply to Basic Generation Service may be subject to additional limitations regarding the term of Basic Generation Service as detailed in Section 14 of the Standard Terms and Conditions of this Tariff.

SPECIAL PROVISIONS:

- (a) **Limitations on Service:** This rate schedule is available for permanently installed comfort building heating where:
- (a-1) Building heating equipment is operated at not less than 208 volts and has a total capacity of not less than five kilowatts;
 - (a-2) The wiring system metered under this rate schedule utilizes panels, troughs, conduit and wiring completely independent of the general lighting service for the building.
- (b) **Resale:** Service under this rate schedule is not available for resale.

Date of Issue:

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Eighth Revised Sheet No. 111

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Seventh Revised Sheet No. 111

**RATE SCHEDULE GLP
GENERAL LIGHTING AND POWER SERVICE
(Continued)**

System Control Charge:

This charge is designed to provide recovery of costs associated with the operation of certain programs as approved by the BPU. Refer to the System Control Charge sheet of this Tariff for the current charge.

Customer Account Services Charge:

This charge is designed to recover costs to implement certain customer account services. Refer to the Customer Account Services Charge sheet of this Tariff for the current charge. This charge will be combined with the Service Charge for billing.

Commercial and Industrial Energy Pricing (CIEP) Standby Fee:

Applicable only to customers that elect Basic Generation Service-Commercial and Industrial Energy Pricing (BGS-CIEP) as their default supply, this charge shall recover costs associated with the administration, maintenance and availability of BGS-CIEP default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge.

Base Rate Distribution Kilowatt-hour Adjustment:

This adjustment provides a credit to the Distribution Kilowatt-hour Charges. Refer to the Base Rate Distribution Kilowatt-hour Adjustment sheet of this Tariff for the current adjustment.

Solar Pilot Recovery Charge:

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Distribution Kilowatt-hour Charge, the Non-utility Generation Charge, the System Control Charge, the Base Rate Distribution Kilowatt-hour Adjustment, the Solar Pilot Recovery Charge and the RGGI Recovery Charge shall be combined for billing. The CIEP Standby Fee shall also be combined with these charges where applicable.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatt Charges, Distribution Kilowatt-hour Charges and the Base Rate Distribution Kilowatt-hour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service.

Date of Issue:

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 112

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Superseding
Second Revised Sheet No. 112

RATE SCHEDULE GLP
GENERAL LIGHTING AND POWER SERVICE
(Continued)

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied by Public Service through its Basic Generation Service - Fixed Pricing (BGS – FP) default service. Customers may elect BGS-CIEP as their default supply but must notify Public Service of their election of BGS-CIEP as their default supply no later than the second business day in January of each year. Such election shall be effective June 1st of that year and BGS-CIEP will remain as the customer's default supply until they notify Public Service of their election of BGS-FP as their default supply no later than the second business day in January and their election of BGS-FP shall be effective June 1st of that year.

The BGS Energy Charges, BGS Capacity Charge, BGS Transmission Charge and BGS Reconciliation Charge are applicable. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule GLP.

MINIMUM CHARGE:

Where the use of electricity is for seldom used applications, an Annual Minimum charge may be applied. Such Annual Minimum charge shall equal the diversified connected load of the electric service, in kW, times the Annual Demand Charge times 12. Revenue to satisfy the Annual Minimum requirement shall be derived solely from Distribution Kilowatt Charges and Distribution Kilowatt-hour Charges.

BILLING DETERMINANTS:**Monthly Peak Demand:**

The Monthly Peak Demand shall be determined either by the registration of a demand meter furnished by Public Service or by estimate.

Where a demand meter is installed, the customer's Monthly Peak Demand in any month shall be the greatest average number of kilowatts delivered by Public Service during any thirty-minute interval.

Where no demand meter is installed, the customer's Monthly Peak Demand shall be determined by estimate by dividing the kilowatt-hours by 100 for the applicable billing period.

New Customer: Where a new customer applying for service has an anticipated maximum Monthly Peak Demand of 10 kilowatts or more, that customer's Monthly Peak Demand shall be determined by measurement. If the anticipated maximum Monthly Peak Demand is less than 10 kilowatts, the demand may be determined by estimate or measurement.

Existing Customer: Where an existing customer's Monthly Peak Demand is determined, for billing, by measurement and is 10 kilowatts or greater in any of the preceding 12 months, the customer will continue to have their Monthly Peak Demand determined by measurement and is not eligible for determination by estimate.

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 80 Park Plaza, Newark, New Jersey 07102
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Eighth Revised Sheet No. 125

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Seventh Revised Sheet No. 125

**RATE SCHEDULE LPL
LARGE POWER AND LIGHTING SERVICE
(Continued)**

System Control Charge:

This charge is designed to provide recovery of costs associated with the operation of certain programs as approved by the BPU. Refer to the System Control Charge sheet of this Tariff for the current charge.

Customer Account Services Charge:

This charge is designed to recover costs to implement certain customer account services. Refer to the Customer Account Services Charge sheet of this Tariff for the current charge. This charge will be combined with the Service Charge for billing.

Commercial and Industrial Energy Pricing (CIEP) Standby Fee:

Applicable to all customers with Basic Generation Service - Commercial and Industrial Energy Pricing (BGS-CIEP) as their default supply. This charge recovers costs associated with the administration, maintenance and availability of BGS-CIEP default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge.

Base Rate Distribution Kilowatt-hour Adjustment:

This adjustment provides a credit to the Distribution Kilowatt-hour Charges. Refer to the Base Rate Distribution Kilowatt-hour Adjustment sheet of this Tariff for the current adjustment.

Solar Pilot Recovery Charge:

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Distribution Kilowatt-hour Charge, the Non-utility Generation Charge, the System Control Charge, the Base Rate Distribution Kilowatt-hour Adjustment, the Solar Pilot Recovery Charge and the RGGI Recovery Charge shall be combined for billing. The CIEP Standby Fee shall also be combined with these charges where applicable.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatt Charges, Distribution Kilowatt-hour Charges and the Base Rate Distribution Kilowatt-hour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service.

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Fourth Revised Sheet No. 126

B.P.U.N.J. No. 14 ELECTRIC

Superseding

Third Revised Sheet No. 126

**RATE SCHEDULE LPL
LARGE POWER AND LIGHTING SERVICE**

(Continued)

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

A customer's Peak Load Share (PLS), with adjustments, is the basis for the customer's Generation Obligation. A customer's PLS in effect November 1 of a given year will determine the customer's default service type eligibility effective June 1 of the following year [Basic Generation Service - Fixed Pricing (BGS-FP) or Basic Generation Service-Commercial and Industrial Pricing (BGS-CIEP)].

Customers that do not receive electric supply from a TPS will be supplied by Public Service through its BGS-FP default service for LPL-Secondary customers with a PLS less than 1,000 kilowatts or BGS-CIEP default service for LPL-Secondary customers with a PLS equal to or greater than 1,000 kilowatts and LPL-Primary. LPL-Secondary customers with a PLS less than 1,000 kilowatts may elect BGS-CIEP as their default supply but must notify Public Service of their election of BGS-CIEP as their default supply no later than the second business day in January of each year. Such election shall be effective June 1st of that year and BGS-CIEP will remain as the customer's default supply until they notify Public Service of their election of BGS-FP as their default supply no later than the second business day in January and their election of BGS-FP shall be effective June 1st of that year.

The BGS Energy Charges, BGS Capacity Charge, BGS Transmission Charge and BGS Reconciliation Charge are applicable. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule LPL for secondary or primary service.

MINIMUM CHARGE:

Where the use of electricity is for seldom used applications, an Annual Minimum charge may be applied. Such Annual Minimum charge shall equal the diversified connected load of the electric service, in kilowatts, times the Annual Demand Charge times 12. Revenue to satisfy the Annual Minimum requirement shall be derived solely from Distribution Kilowatt Charges and Distribution Kilowatthour Charges.

BILLING DETERMINANTS:**Monthly Peak Demand:**

The Monthly Peak Demand for each time period shall be determined by the registration of a demand meter furnished by Public Service. The customer's Monthly Peak Demand in any month for each time period shall be the greatest average number of kilowatts delivered by Public Service during any thirty-minute interval for secondary distribution voltage customers and during any fifteen-minute interval for primary distribution voltage customers. Where the use of electric service is intermittent or subject to violent fluctuations, Public Service may base the customer's Monthly Peak Demand for each time period upon five-minute intervals in lieu of intervals hereinbefore set forth.

Where electric service is supplied for traction power to a rail rapid-transit system, for the purpose of determination of Monthly Peak Demands, the hours 8 A.M. to 10 A.M. and 4 P.M. to 7 P.M. shall be included in the Off-Peak time period, and Public Service shall base the customer's Monthly Peak Demand for each time period upon the greatest average number of kilowatts delivered by Public Service during any single coincident hour-ended sixty-minute interval during each time period, in lieu of fifteen minute intervals.

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Seventh Revised Sheet No. 136

B.P.U.N.J. No. 14 ELECTRIC

Superseding

Sixth Revised Sheet No. 136

**RATE SCHEDULE HTS
HIGH TENSION SERVICE
(Continued)**

Commercial and Industrial Energy Pricing (CIEP) Standby Fee:

This charge shall recover costs associated with the administration, maintenance and availability of the Basic Generation Service default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge.

Base Rate Distribution Kilowatt-hour Adjustment:

This adjustment provides a credit to the Distribution Kilowatt-hour Charges. Refer to the Base Rate Distribution Kilowatt-hour Adjustment sheet of this Tariff for the current adjustment.

Solar Pilot Recovery Charge:

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Distribution Kilowatt-hour Charge, the Non-utility Generation Charge, the System Control Charge, the Base Rate Distribution Kilowatt-hour Adjustment, the Solar Pilot Recovery Charge, the RGGI Recovery Charge and the CIEP Standby Fee shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatt Charges, Distribution Kilowatt-hour Charges and the Base Rate Distribution Kilowatt-hour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Commercial and Industrial Energy Pricing (BGS – CIEP) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service - Commercial and Industrial Energy Pricing (BGS – CIEP) default service.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 137

B.P.U.N.J. No. 14 ELECTRIC

Superseding

First Revised Sheet No. 137

**RATE SCHEDULE HTS
HIGH TENSION SERVICE
(Continued)**

The BGS Energy Charges, BGS Capacity Charge, BGS Transmission Charge and BGS Reconciliation Charge are applicable. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule HTS for subtransmission or high voltage service.

MINIMUM CHARGE:

Where the use of electricity is for seldom used applications, an Annual Minimum charge may be applied. Such Annual Minimum charge shall equal the diversified connected load of the electric service, in kilowatts, times the Annual Demand Charge times 12. Revenue to satisfy the Annual Minimum requirement shall be derived solely from Distribution Kilowatt Charges and Distribution Kilowatthour Charges.

BILLING DETERMINANTS:**Monthly Peak Demand:**

The Monthly Peak Demand for each time period shall be determined by the registration of a demand meter furnished by Public Service. The customer's Monthly Peak Demand in any month for each time period shall be the greatest average number of kilowatts delivered by Public Service during any fifteen-minute interval. Where the use of electric service is intermittent or subject to violent fluctuations, Public Service may base the customer's Monthly Peak Demand for each time period upon five-minute intervals in lieu of intervals hereinbefore set forth.

Where electric service is supplied for traction power to a rail rapid-transit system, for the purpose of determination of Monthly Peak Demands the hours 8 A.M. to 10 A.M. and 4 P.M. to 7 P.M. shall be included in the Off-Peak time period, and Public Service shall base the customer's Monthly Peak Demand for each time period upon the greatest average number of kilowatts delivered by Public Service during any single coincident hour-ended sixty-minute interval during each time period, in lieu of fifteen-minute intervals. Where traction power is supplied at high voltage (230,000 volts) and such power is being provided during a limited period to supplant power normally supplied by another utility, that limited period shall be excluded for the purpose of determining Monthly Peak Demand.

Self-Generation Customer:

For customers with operational self-generation units: 1) with a combined maximum net kilowatt output rating equal to or greater than 50% of their Annual Peak Demand; or, 2) whose premise was served on the former special provision for Standby Service of this rate schedule on July 31, 2003; or 3) who have been granted all necessary air permits by August 1, 2004 for a new or expanded self-generation facility: the On-Peak Monthly Peak Demand used in the determination of the Summer Demand Charges shall be equal to the greatest average number of kilowatts delivered by Public Service during any fifteen-minute interval that occur during the single hour of monthly maximum peak demand of the Public Service distribution system for the applicable summer billing month.

Annual Peak Demand:

The customer's Annual Peak Demand in kilowatts shall be the highest Monthly Peak Demand occurring in any time period of the current month and the preceding 11 months.

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Superseding

Sixth Revised Sheet No. 150

**RATE SCHEDULE HEP
HOURLY ENERGY PRICE**

(Continued)

System Control Charge:

This charge is designed to provide recovery of costs associated with the operation of certain programs as approved by the BPU. Refer to the System Control Charge sheet of this Tariff for the current charge.

Customer Account Services Charge:

This charge is designed to recover costs to implement certain customer account services. Refer to the Customer Account Services Charge sheet of this Tariff for the current charge. This charge will be combined with the Service Charge for billing.

Base Rate Distribution Kilowatt-hour Adjustment:

This adjustment provides a credit to the Distribution Kilowatt-hour Charges. Refer to the Base Rate Distribution Kilowatt-hour Adjustment sheet of this Tariff for the current adjustment. The Base Rate Distribution Kilowatt-hour Adjustment is applicable to all kilowatt-hours.

Solar Pilot Recovery Charge:

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

Commercial and Industrial Energy Pricing (CIEP) Standby Fee:

This charge shall recover costs associated with the administration, maintenance and availability of the Basic Generation Service default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge. The CIEP Standby Fee is applicable to all kilowatt-hours.

The Distribution Kilowatt-hour Charge, the Non-utility Generation Charge, the System Control Charge, the Base Rate Distribution Kilowatt-hour Adjustment, the Solar Pilot Recovery Charge, the RGGI Recovery Charge and the CIEP Standby Fee shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Distribution Fixed Charge, Distribution Kilowatt-hour Charges and the Base Rate Distribution Kilowatt-hour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Commercial and Industrial Energy Pricing (BGS – CIEP) default service applicable to Rate Schedule HTS-HV.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 151

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Second Revised Sheet No. 151

**RATE SCHEDULE HEP
HOURLY ENERGY PRICE**

(Continued)

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service - Commercial and Industrial Energy Pricing (BGS-CIEP) default service applicable to Rate Schedule HTS-HV.

The BGS Energy Charges, BGS Capacity Charge, BGS Transmission Charge and BGS Reconciliation Charge are applicable. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule HTS for high voltage service.

BILLING DETERMINANTS:**Generation Obligation:**

The customer's Generation Obligation, in kilowatts, is determined by Public Service no less frequently than once a year. The Generation Obligation for existing customers or for new customers utilizing an existing building or premise is based upon the customer's share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. The Generation Obligation for customers taking service in a new building or premise, as determined by Public Service, is based upon the load requirements, as estimated by Public Service, of the customer's building or premise. The Generation Obligation represents the generator capacity that PJM requires an electric supplier to have available to provide electric supply to a customer.

Transmission Obligation:

The customer's Transmission Obligation, in kilowatts, is determined in a similar manner to the Generation Obligation described above. The Transmission Obligation represents the level of transmission network service that must be procured by the customer's electric supplier from PJM to provide service to the customer.

Generation and Transmission Obligations are used in the determination of the customer's charges for Basic Generation Service and may affect the price offered by a Third Party Supplier.

TERMS OF PAYMENT:

Bills are due on presentation subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 9.12 of the Standard Terms and Conditions. Service to a body politic will not be subject to a late payment charge.

TERM:

The term for delivery service is one year and thereafter until terminated by five days notice.

Customers who transfer from third party supply to Basic Generation Service may be subject to additional limitations regarding the term of Basic Generation Service as detailed in Section 14 of the Standard Terms and Conditions of this Tariff.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Fourth Revised Sheet No. 152

B.P.U.N.J. No. 14 ELECTRIC

Superseding

Third Revised Sheet No. 152

**RATE SCHEDULE HEP
HOURLY ENERGY PRICE
(Continued)**

SPECIAL PROVISIONS:

- (a) **Resale:** Service under this rate schedule is not available for resale.
- (b) **Curtable Electric Service:** At the customer's option and upon the customer's request, Curtable Electric Service will be furnished when and where available so as to preserve the reliability of the Public Service distribution system. Those customers that receive electric supply from a third party supplier may continue to receive service under this Special Provision. If a third party supplied customer chooses to no longer participate, or alternatively, a customer is disqualified for this Special Provision because of continued failure to meet agreed upon load reductions, the customer will be required to pay Public Service, in accordance with Standard Terms and Conditions, Section 9.4.2, Metering, for the installed interval metering device if the customer chooses to retain the installed interval meter and the meter is not otherwise required for service. Curtable Electric Service will be furnished under the following conditions:
- (b-1) A customer agrees to take service under this rate schedule at a single service connection and agrees to curtail its load during times of curtailment by the amount stated in the customer's Application/Agreement. A credit of \$6.11 (\$6.54 including SUT) per kilowatt of average actual curtailed demand for each curtailment period will be applied to the customer's bill in a succeeding month. The curtailed demands will be measured as the difference, for each hour, between a customer-specific hourly load curve developed by Public Service for customer's normal business operation and the actual recorded hourly load during the curtailment period. The curtailment period will commence a minimum of one hour from the time of notification and end at the time indicated in the restoration call but not later than 8:00 P.M. as indicated in (b-3) below. For each applicable calendar month, the customer's individual curtailment period results will be summed to determine the appropriate credit. There will be no penalty for failure to curtail load or meet the agreed upon load reduction when notified. Continued failure by a customer to meet agreed upon load reduction, however, will result in customer's disqualification for this Special Provision and Public Service may remove from the customer's premises the interval metering device installed solely for this Special Provision.
- (b-1a) In the event that a customer-specific hourly load curve for customer's normal business operation cannot be developed by Public Service, the curtailed demands will be measured as the difference between the actual hourly load at the time of notification and the actual recorded hourly load for each hour during the curtailment period. Payment will be subject to a maximum equal to the estimated amount of load customer will curtail during curtailments in (b-2).
- (b-2) A customer will be required to sign an Application/Agreement for Curtable Electric Service under this rate schedule. The Application/Agreement will specify the estimated amount of load customer will curtail during curtailments. Curtailment payments will be subject to a maximum of 150% of the estimated amount of load customer will curtail during curtailments. The maximum shall apply subsequent to the customer's first curtailment after election to take service under this Special Provision. The minimum curtable load is 100 kilowatts. The advanced notification period is a minimum of one hour.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Third Revised Sheet No. 153

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Second Revised Sheet No. 153

**RATE SCHEDULE HEP
HOURLY ENERGY PRICE
(Continued)**

- (b-3) This Special Provision will be in effect for the four summer months June through September and apply on weekdays only, excluding holidays, and the potential daily curtailment period shall be the hours between 12:00 Noon and 8:00 P.M. Public Service agrees to limit curtailments, as described in this Special Provision, to a maximum of 120 total hours and a maximum of 15 curtailments during the calendar year.
- (b-4) Public Service will contact the customer by telephone or otherwise of the need to curtail load under this Special Provision. The customer shall designate personnel who will accept notification of curtailment on summer weekdays from 9:00 A.M. to 8:00 P.M. Where necessary, Public Service will install and maintain suitable metering at its meter locations for verification of customer compliance with the curtailment and notification agreement.
- (b-5) When a customer signs an Application/Agreement for Curtailable Electric Service and elects to be billed under this Special Provision, the term of service will be for two years in lieu of the term stated in this rate schedule, with periodic review of curtailable demand not to exceed twelve months. Public Service reserves the right to determine whether successive terms may be negotiated and under what conditions curtailable demand may be changed.
- (b-6) In the event of an emergency condition which occurs outside the period specified in (b-3) above and which threatens the integrity of the Public Service system or the systems to which Public Service is directly or indirectly connected, Public Service may contact customer of the need to curtail load. There will be no penalty for failure to curtail load or meet the agreed upon load reduction. Customers who are able to curtail load will have a credit applied to their bill.
- (c) **TPS Supply:** Customers who desire to purchase their electric supply from a TPS may request an enrollment package from Public Service that describes the process necessary for the customer to obtain a TPS for electric supply. This package will be provided to the customer at no charge by Public Service.
- (c-1) The customer must contract with a TPS to arrange for deliveries to Public Service of the electric supply. A customer is limited to one TPS for electric supply for each account for which the customer receives delivery service.
- (c-2) The customer's TPS is required to notify Public Service of the customer's selection prior to 20 days before the customer's scheduled Public Service meter reading date for deliveries to commence on such scheduled meter reading date, and such selection shall remain in effect for the entire billing month. Customer can change TPSs effective only on the date of the customer's scheduled Public Service meter reading date.

STATE OF NEW JERSEY AUTHORIZED TAXES:

The Transitional Energy Facility Assessment and the New Jersey Sales and Use Tax are applied in accordance with P.L. 1997, c. 162, as amended by P. L. 2006, c. 44, and are included in the appropriate charges in this rate schedule. See Section 16 of the Standard Terms and Conditions for additional details and/or exceptions.

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions of this Tariff.

Date of Issue:

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Third Revised Sheet No. 162

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Second Revised Sheet No. 162

**RATE SCHEDULE BPL
BODY POLITIC LIGHTING SERVICE**

(Continued)

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Distribution Kilowatthour Charges and the Base Rate Distribution Kilowatthour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Fixed Pricing (BGS – FP) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – Fixed Pricing (BGS – FP) default service.

The BGS Energy Charge and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule BPL.

LIGHTING POLE AND MISCELLANEOUS DEVICE CHARGES (Monthly Charge Per Unit):

Only poles installed, owned and maintained by Public Service as part of the electric distribution system exclusively for the purpose of providing lighting service under Rate Schedules BPL or PSAL are designated as Lighting Poles.

Standard Lighting Poles

<u>Pole Type</u>	<u>Style</u>	<u>Height</u>	<u>PSE&G Part Number</u>	<u>Charge</u>	<u>Charge Including SUT</u>
Aluminum	Black	12 ft.	04-1280	21.16	22.64
Aluminum	Round Black	12 ft.	04-1264	16.82	18.00
Aluminum	Black	14 ft.	04-1262	21.56	23.07
Aluminum	Col. Fluted Black	14 ft.	04-1261	16.69	17.86
Aluminum	Flat Fluted Black	14 ft.	04-1286	22.11	23.66
Aluminum	Square Bronze	14 ft.	04-1251	15.02	16.07
Aluminum	Round Black	14 ft.	04-1265	17.47	18.69
Aluminum	Black	14.5 ft.	04-1282	21.49	22.99
Aluminum	Square Bronze	20 ft.	04-1257	18.18	19.45
Aluminum	Square Bronze	25 ft.	04-1258	22.89	24.49
Aluminum	Square Black	30 ft.	04-1250	25.03	26.78
Aluminum	Round Silver	35 ft.	04-1230	21.93	23.47

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Second Revised Sheet No. 163

**RATE SCHEDULE BPL
BODY POLITIC LIGHTING SERVICE
(Continued)**

Standard Lighting Poles - Continued

<u>Pole Type</u>	<u>Style</u>	<u>Height</u>	<u>PSE&G Part Number</u>	<u>Charge</u>	<u>Charge Including SUT</u>
Cast Aluminum	Colonial Black	12 ft.	04-1260	16.00	17.12
Fiberglass	Round Black	17 ft.	04-0201	* 7.84	* 8.39
Fiberglass	Dk. Bronze	20 ft.	04-0203	** 8.23	** 8.81
Laminated Wood	Square Gray	30 ft.	04-0197	11.80	12.63
Laminated Wood	Square	30 ft.	04-0225	10.08	10.79
Pine	Center Bored	30 ft.	04-0350	6.42	6.87
Pine	Round	30 ft.	04-0302	* 7.42	* 7.94
Pine	Round	35 ft.	04-0304	* 8.76	* 9.37
Pine	Yellow Class 4	40 ft.	04-0306	***10.04	***10.74
Pine	Yellow Class 3	45 ft.	04-0308	****10.70	****11.45

* The charge for indicated poles installed prior to August 1, 2003 is \$0.00 (\$0.00 including SUT).

** The charge for indicated poles installed prior to August 1, 2003 is \$2.04 (\$2.18 including SUT).

*** The charge for indicated poles installed prior to August 1, 2003 is \$3.36 (\$3.60 including SUT).

**** The charge for indicated poles installed prior to August 1, 2003 is \$5.60 (\$5.99 including SUT).

Specialty Lighting Poles and Miscellaneous Devices:

All poles not listed above as Standard Lighting Poles, all non-standard installations of standard lighting poles, any pole where the customer makes a contribution toward the total installed cost, and all shrouds, brackets and other miscellaneous devices are deemed Specialty Lighting Poles and Miscellaneous Devices. The Monthly Charge Per Unit for Specialty Lighting Poles and Miscellaneous Devices is equal to the sum of the Capital Recovery Charge and Maintenance Charge set forth as follows:

- (1) A Capital Recovery Charge equal to the actual total installed cost less any customer contribution (net of tax gross up) times a factor equal to 1.097% (1.174% including SUT). This Capital Recovery Charge shall remain unchanged over the remaining life of the pole. In underground zones the total installed cost excludes the cost of underground conduits, conductors, manholes and handholes, but includes the cost of equivalent overhead conductors.
- (2) A Maintenance Charge that varies by item type and is equal to the following:

<u>Pole and Device Type</u>	<u>Charge</u>	<u>Charge Including SUT</u>
Pine wood pole	\$0.29	\$0.31
Laminated wood pole	0.00	0.00
Aluminum pole	0.78	0.83
Fiberglass pole	0.00	0.00
Shrouds, Brackets & Other Miscellaneous Devices	0.00	0.00

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80 Park Plaza, Newark, New Jersey 07102
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**RATE SCHEDULE BPL-POF
BODY POLITIC LIGHTING SERVICE FROM PUBLICLY OWNED FACILITIES
(Continued)**

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Distribution Kilowatthour Charges and the Base Rate Distribution Kilowatthour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Fixed Pricing (BGS – FP) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – Fixed Pricing (BGS – FP) default service.

The BGS Energy Charge and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule BPL-POF.

BILLING DETERMINANTS:

Kilowatthours:

The kilowatthour estimate is determined for each lamp by dividing total wattage including ballast by 1,000 and multiplying the result by the monthly burning hours as follows:

January	447	July	281
February	374	August	312
February (leap-year)	387	September	343
March	372	October	397
April	317	November	421
May	292	December	456
June	263		

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 172

B.P.U.N.J. No. 14 ELECTRIC

Superseding
Original Sheet No. 172

RATE SCHEDULE BPL-POF
BODY POLITIC LIGHTING SERVICE FROM PUBLICLY OWNED FACILITIES
(Continued)

Generation Obligation:

The customer's Generation Obligation, in kilowatts, is determined by Public Service no less frequently than once a year. The Generation Obligation for existing customers or for new customers utilizing an existing building or premise is based upon the customer's share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. The Generation Obligation for customers taking service in a new building or premise, as determined by Public Service, is based upon the load requirements, as estimated by Public Service, of the customer's building or premise. The Generation Obligation represents the generator capacity that PJM requires an electric supplier to have available to provide electric supply to a customer.

Transmission Obligation:

The customer's Transmission Obligation, in kilowatts, is determined in a similar manner to the Generation Obligation described above. The Transmission Obligation represents the level of transmission network service that must be procured by the Customer's electric supplier from PJM to provide service to the customer.

Costs associated with the Generation and Transmission Obligations are included in the charges for Basic Generation Service and may affect the price offered by a Third Party Supplier.

Allowance for Lamp Outages:

Charges reflect an outage allowance based upon normal and abnormal operating conditions. No further allowance will be made.

TERMS OF PAYMENT:

Bills are due on presentation.

TERM:

One year for all new lamps and thereafter until terminated by five days' notice.

Customers who transfer from third party supply to Basic Generation Service may be subject to additional limitations regarding the term of Basic Generation Service as detailed in Section 14 of the Standard Terms and Conditions of this Tariff.

SPECIAL PROVISIONS:

- (a) **Service from Publicly-Owned Facilities:** Service under this Rate Schedule is only available where Public Service has paid no part of the cost of the distribution facilities, lamps, luminaires and all other associated equipment beyond the point of connection to the Public Service distribution system, such point of connection to be designated by Public Service. The complete lighting installation shall meet with the approval of Public Service for operation and maintenance. Public Service will clean refractors or globes, replace lamps, locate cable faults and make minor cable and socket repairs. Replacement of defective cable, painting or otherwise maintaining posts or luminaires or any other associated equipment shall be done only at the expense of the customer. In the event of repeated damage to the equipment, whether willful or accidental, Public Service reserves the right to discontinue such lighting service or require the customer to be responsible for the continued cost of repair or replacement.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 173

B.P.U.N.J. No. 14 ELECTRIC

Superseding

First Revised Sheet No. 173

RATE SCHEDULE BPL-POF

BODY POLITIC LIGHTING SERVICE FROM PUBLICLY OWNED FACILITIES

(Continued)

- (b) **Service to Indicating Lamps:** Service to indicating lamps used for marking location of fire and police boxes, fixed warning or obstruction lights, or similar purposes will be provided where all necessary materials and labor for indicating lamp installations is furnished and installed by and at the expense of the customer. Service to indicating lamps will be furnished only if practicable and safe from the standpoint of Public Service.
- (c) **TPS Supply:** Customers who desire to purchase their electric supply from a TPS may request an enrollment package from Public Service that describes the process necessary for the customer to obtain a TPS for electric supply. This package will be provided to the customer at no charge by Public Service.
- (c-1) The customer must contract with a TPS to arrange for deliveries to Public Service of the electric supply. A customer is limited to one TPS for electric supply for each account for which the customer receives delivery service.
- (c-2) The customer's TPS is required to notify Public Service of the customer's selection prior to 20 days before the customer's scheduled Public Service meter reading date for deliveries to commence on such scheduled meter reading date, and such selection shall remain in effect for the entire billing month. Customer can change TPSs effective only on the date of the customer's scheduled Public Service meter reading date.

STATE OF NEW JERSEY AUTHORIZED TAXES:

The Transitional Energy Facility Assessment and the New Jersey Sales and Use Tax are applied in accordance with P.L. 1997, c. 162, as amended by P. L. 2006, c. 44, and are included in the appropriate charges in this rate schedule. See Section 16 of the Standard Terms and Conditions for additional details and/or exceptions.

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions of this Tariff.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Sixth Revised Sheet No. 179

B.P.U.N.J. No. 14 ELECTRIC

Superseding

Fifth Revised Sheet No. 179

**RATE SCHEDULE PSAL
PRIVATE STREET AND AREA LIGHTING SERVICE
(Continued)**

Non-utility Generation Charge:

This charge shall recover above market costs associated with non-utility generation and other generation related costs as may be approved by the Board. Refer to the Non-utility Generation Charge sheet of this Tariff for the current charge.

Securitization Transition Charges:

These charges include the Transition Bond Charge and the MTC-Tax charge and shall recover costs and associated taxes for transition bonds collected by PSE&G as servicer on behalf of PSE&G Transition Funding LLC. Refer to the Securitization Transition Charges sheet of this Tariff for the current charges.

System Control Charge:

This charge is designed to provide recovery of costs associated with the operation of certain programs as approved by the BPU. Refer to the System Control Charge sheet of this Tariff for the current charge.

Base Rate Distribution Kilowatthour Adjustment:

This adjustment provides a credit to the Distribution Kilowatthour Charges. Refer to the Base Rate Distribution Kilowatthour Adjustment sheet of this Tariff for the current adjustment.

Solar Pilot Recovery Charge:

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charge, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, the System Control Charge, the Base Rate Distribution Kilowatthour Adjustment, the Solar Pilot Recovery Charge and the RGGI Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Distribution Kilowatthour Charges and the Base Rate Distribution Kilowatthour Adjustment for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Fixed Pricing (BGS – FP) default service.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 2

B.P.U.N.J. No. 14 GAS

**Superseding
First Revised Sheet No. 2**

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 47

B.P.U.N.J. No. 14 GAS

Superseding
First Revised Sheet No. 47

CAPITAL ADJUSTMENT CHARGES

<u>Rate Schedule</u>		<u>Charges</u>	<u>Charges Including SUT</u>
<u>RSG</u>			
Service Charge	per Month	\$ 0.11	\$ 0.12
Distribution Charge	per Therm	0.5062 ¢	0.5416 ¢
Off-Peak Use	per Therm	0.2431 ¢	0.2601 ¢
<u>GSG</u>			
Service Charge	per Month	\$ 0.18	\$ 0.19
Distribution Charge-pre July 14, 1997	per Therm	0.4401 ¢	0.4709 ¢
Distribution Charge-All Others	per Therm	0.4401 ¢	0.4709 ¢
Off-Peak Use Distribution Charge - pre July 14, 1997	per Therm	0.2179 ¢	0.2332 ¢
Off-Peak Use Distribution Charge - All Others	per Therm	0.2386 ¢	0.2553 ¢
<u>LVG</u>			
Service Charge	per Month	\$ 1.71	\$ 1.83
Demand Charge	per Demand Therm	\$ 0.0654	\$ 0.0700
Distribution Charge 0-1,000 - pre July 14, 1997	per Therm	0.1021 ¢	0.1092 ¢
Distribution Charge over 1,000 - pre July 14, 1997	per Therm	0.0596 ¢	0.0638 ¢
Distribution Charge 0-1,000 - All Others	per Therm	0.1021 ¢	0.1092 ¢
Distribution Charge over 1,000 - All Others	per Therm	0.0596 ¢	0.0638 ¢
<u>SLG</u>			
Single-Mantle Lamp	Monthly per Unit	\$ 0.1995	\$ 0.2135
Double-Mantle Lamp, inverted	Monthly per Unit	\$ 0.1985	\$ 0.2124
Double-Mantle Lamp, upright	Monthly per Unit	\$ 0.1896	\$ 0.2029
Triple-Mantle Lamp prior to January 1, 1993	Monthly per Unit	\$ 0.1985	\$ 0.2124
Triple-Mantle Lamp on and after January 1, 1993	Monthly per Unit	\$ 1.2075	\$ 1.2920

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 14 GAS

Original Sheet No. 47A

CAPITAL ADJUSTMENT CHARGES
(Continued)

<u>Rate Schedule</u>		<u>Charges</u>	<u>Charges Including SUT</u>
<u>TSG-F</u>			
Service Charge	per Month	\$ 8.79	\$ 9.41
Demand Charge	per Demand Therm	\$ 0.0324	\$ 0.0347
Distribution Charge	per Therm	0.1240 ¢	0.1327 ¢
<u>TSG-NF</u>			
Service Charge	per Month	\$ 8.79	\$ 9.41
Distribution Charge 0-50,000	per Therm	0.1249 ¢	0.1336 ¢
Distribution Charge over 50,000	per Therm	0.1249 ¢	0.1336 ¢
<u>CIG</u>			
Service Charge	per Month	\$ 2.44	\$ 2.61
Distribution Charge 0-600,000	per Therm	0.1111 ¢	0.1189 ¢
Distribution Charge over 600,000	per Therm	0.0912 ¢	0.0976 ¢
Extended Gas Service, Special Delivery Charge	per Therm	0.2010 ¢	0.2151 ¢
<u>Other Delivery Charge and Commodity Charges</u>			
Margin Adjustment Charge	per Therm	(0.0487) ¢	(0.0521) ¢
Basic Gas Supply Service-RSG	per Therm	(0.0086) ¢	(0.0092) ¢
Basic Gas Supply Service-Firm	per Therm	(0.0086) ¢	(0.0092) ¢

CAPITAL ADJUSTMENT CHARGE

These charges are designed to recover the revenue requirements associated with the acceleration of gas capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements.

The charges will be reset nominally 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

Third Revised Sheet No. 59

B.P.U.N.J. No. 14 GAS

Superseding
Second Revised Sheet No. 59

**RATE SCHEDULE RSG
RESIDENTIAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm delivery service for residential purposes. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

DELIVERY CHARGES:**Service Charge:**

\$5.46 in each month [\$5.84 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

<u>Charge</u>	<u>Charge</u> <u>Including SUT</u>	
27.7530 ¢	29.6957 ¢	per therm

Balancing Charge:

<u>Charge</u>	<u>Charge</u> <u>Including SUT</u>	
8.9679 ¢	9.5957 ¢	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.

Realignment Adjustment Charge:

This charge shall recover certain Board approved fixed costs and lost revenues related to customer's obtaining their gas supplies from a third party supplier. Refer to the Realignment Adjustment 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.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Societal Benefits Charge, Realignment Adjustment Charge, the Margin Adjustment Charge and the RGGI Recovery Charge will be combined with the Distribution Charge for billing.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 60

B.P.U.N.J. No. 14 GAS

Superseding
Original Sheet No. 60

**RATE SCHEDULE RSG
RESIDENTIAL SERVICE
(Continued)**

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of gas capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Charges, the Margin Adjustment Charge and if applicable the Basic Gas Supply Service – RSG Commodity Charge for billing.

Customer Account Services Charge:

This charge is designed to recover costs to implement certain customer account services. Refer to the Customer Account Services Charge sheet of this Tariff for the current charge. This Charge will be combined with the Service Charge for billing.

COMMODITY CHARGES:

A customer may choose to receive gas supply from either:

- a) A TPS who has agreed to the terms and conditions of the Third Party Supplier Requirements portion of this Tariff, or
- b) Public Service through its Basic Gas Supply Service default service. Public Service may also supply Emergency Sales Service in certain instances where a customer selected TPS does not deliver sufficient quantities of gas.

Third Party Supply:

A customer that receives gas supply from a TPS will be charged for gas supply according to any agreement between the customer and the TPS. The customer will not be charged for commodity by Public Service, except as provided for in Emergency Sales Service below.

Emergency Sales Service:

In the event that, during any month, a customer's chosen TPS does not deliver the quantities of gas required, or if Public Service cannot confirm that the customer has an eligible TPS, Public Service may supply the deficiencies as Emergency Sales Service.

Emergency Sales Service will be offered at the sole discretion of Public Service, after taking into consideration its other firm supply obligations. Public Service reserves the right to curtail service to any customer if deliveries from customer's TPS pursuant to Third Party Supplier Requirements are curtailed.

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-RSG.

The conditions under which Emergency Sales Service will apply are detailed in Section 14 - Third Party Supplier 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.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 67

B.P.U.N.J. No. 14 GAS

Superseding
First Revised Sheet No. 67**RATE SCHEDULE GSG****GENERAL SERVICE****(Continued)****Capital Adjustment Charge:**

These charges are designed to recover the revenue requirements associated with the acceleration of gas capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Charges, the Margin Adjustment Charge and if applicable the Basic Gas Supply Service – Firm Commodity Charge for billing.

Customer Account Services Charge:

This charge is designed to recover costs to implement certain customer account services. Refer to the Customer Account Services Charge sheet of this Tariff for the current charge. This Charge will be combined with the Service Charge for billing.

COMMODITY CHARGES:

A customer may choose to receive gas supply from either:

- a) A TPS who has agreed to the terms and conditions of the Third Party Supplier Requirements portion of this Tariff, or
- b) Public Service through its Basic Gas Supply Service default service. Public Service may also supply Emergency Sales Service in certain instances where a customer selected TPS does not deliver sufficient quantities of gas.

Third Party Supply:

A customer that receives gas supply from a TPS will be charged for gas supply according to any agreement between the customer and the TPS. The customer will not be charged for commodity by Public Service, except as provided for in Emergency Sales Service below.

Emergency Sales Service:

In the event that, during any month, a customer's chosen TPS does not deliver the quantities of gas required, or if Public Service cannot confirm that the customer has an eligible TPS, Public Service may supply the deficiencies as Emergency Sales Service.

Emergency Sales Service will be offered at the sole discretion of Public Service, after taking into consideration its other firm supply obligations. Public Service reserves the right to curtail service to any customer if deliveries from customer's TPS pursuant to Third Party Supplier Requirements are curtailed.

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.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 68

B.P.U.N.J. No. 14 GAS

Superseding
Original Sheet No. 68

**RATE SCHEDULE GSG
GENERAL SERVICE
(Continued)**

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 November through 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. 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:

Bills are due on presentation 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.

Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No. EO09010050

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 74

B.P.U.N.J. No. 14 GAS

Superseding
First Revised Sheet No. 74

**RATE SCHEDULE LVG
LARGE VOLUME SERVICE
(Continued)**

Realignment Adjustment Charge:

This charge shall recover certain Board approved fixed costs and lost revenues related to customer's obtaining their gas supplies from a third party supplier. Refer to the Realignment Adjustment 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.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Societal Benefits Charge, Realignment Adjustment Charge, the Margin Adjustment Charge and the RGGI Recovery Charge will be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of gas capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, the Demand Charge, the Distribution Charges, the Margin Adjustment Charge and if applicable the Basic Gas Supply Service – Firm Commodity Charge for billing.

Customer Account Services Charge:

This charge is designed to recover costs to implement certain customer account services. Refer to the Customer Account Services Charge sheet of this Tariff for the current charge. This Charge will be combined with the Service Charge for billing.

COMMODITY CHARGES:

A customer may choose to receive gas supply from either:

- a) A TPS who has agreed to the terms and conditions of the Third Party Supplier Requirements portion of this Tariff, or
- b) Public Service through its Basic Gas Supply Service default service. Public Service may also supply Emergency Sales Service in certain instances where a customer selected TPS does not deliver sufficient quantities of gas.

Third Party Supply:

A customer that receives gas supply from a TPS will be charged for gas supply according to any agreement between the customer and the TPS. The customer will not be charged for commodity by Public Service, except as provided for in Emergency Sales Service below.

Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 82

B.P.U.N.J. No. 14 GAS

Superseding
Original Sheet No. 82

**RATE SCHEDULE SLG
STREET LIGHTING SERVICE
(Continued)**

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of gas capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Lamp Charge, the Margin Adjustment Charge and if applicable the Basic Gas Supply Service – Firm Commodity Charge for billing.

COMMODITY CHARGES:

A customer may choose to receive gas supply from either:

- a) A TPS who has agreed to the terms and conditions of the Third Party Supplier Requirements portion of this Tariff, or
- b) Public Service through its Basic Gas Supply Service default service. Public Service may also supply Emergency Sales Service in certain instances where a customer selected TPS does not deliver sufficient quantities of gas.

Third Party Supply:

A customer that receives gas supply from a TPS will be charged for gas supply according to any agreement between the customer and the TPS. The customer will not be charged for commodity by Public Service, except as provided for in Emergency Sales Service below.

Emergency Sales Service:

In the event that, during any month, a customer's chosen TPS does not deliver the quantities of gas required, or if Public Service cannot confirm that the customer has an eligible TPS, Public Service may supply the deficiencies as Emergency Sales Service.

Emergency Sales Service will be offered at the sole discretion of Public Service, after taking into consideration its other firm supply obligations. Public Service reserves the right to curtail service to any customer if deliveries from customer's TPS pursuant to Third Party Supplier Requirements are curtailed.

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 Supplier 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.

Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 88

B.P.U.N.J. No. 14 GAS

Superseding

First Revised Sheet No. 88

**RATE SCHEDULE TSG-F
FIRM TRANSPORTATION GAS SERVICE**

(Continued)

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of gas capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, the Demand Charge, the Distribution Charges and the Margin Adjustment Charge for billing.

Customer Account Services Charge:

This charge is designed to recover costs to implement certain customer account services. Refer to the Customer Account Services Charge sheet of this Tariff for the current charge. This Charge will be combined with the Service Charge for billing.

COMMODITY CHARGES:

A customer must choose to receive gas supply from a TPS who has agreed to the terms and conditions of the Third Party Supplier Requirements portion of this Tariff.

Third Party Supply:

A customer that receives gas supply from a TPS will be charged for gas supply according to any agreement between the customer and the TPS. The customer will not be charged for commodity by Public Service, except as provided for in Emergency Sales Service below.

Emergency Sales Service:

In the event that, during any month, Public Service cannot confirm that the customer has an eligible TPS, or if the TPS no longer satisfies the requirement of the Third Party Supplier Requirement portion of this Tariff, Public Service may supply the deficiencies as Emergency Sales Service. Public Service may supply gas commodity service to such customer as Emergency Sales Service unless and until customer selects another TPS.

Emergency Sales Service will be offered at the sole discretion of Public Service, after taking into consideration its other firm sales obligations. Public Service reserves the right to curtail service to any customer if deliveries from customer's TPS pursuant to Third Party Supplier Requirements are curtailed.

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.

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. The conversion factor used for the "therm multiplier" shall be on the basis of the actual heating value of the gas used.

Demand Therms:

The Demand Therms shall be the highest winter month (November through March) average daily usage calculated for the current month and all winter months occurring during the preceding 11 months. The customer's winter month average daily usage shall be determined for each billing month during that period of November through March by dividing billed therms, used by the customer, by the actual number of days in the billing period.

Date of Issue:

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Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 93

B.P.U.N.J. No. 14 GAS

Superseding

First Revised Sheet No. 93

**RATE SCHEDULE TSG-NF
NON-FIRM TRANSPORTATION GAS SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Interruptible delivery for general purposes where the maximum requirement for interruptible gas is not less than 150 therms per hour and where the customer has the installed capability to utilize an alternate type of fuel, except as provided for in Special Provision (a). 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:**

\$441.01 in each month [\$471.88 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

<u>Charge</u>	<u>Charge including SUT</u>	
6.4456 ¢	6.8968 ¢	per therm for the first 50,000 therms used in each month
6.4456 ¢	6.8968 ¢	per therm in excess of 50,000 therms used in each month

Public Service may reduce the Distribution Charge at the beginning of the month and/or during the month to reflect market conditions.

This charge does not apply to gas sold to customer by Public Service pursuant to Special Provision (d).

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.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Societal Benefits Charge and the RGGI Recovery Charge will be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of gas capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge and Distribution Charges for billing.

Customer Account Services Charge:

This charge is designed to recover costs to implement certain customer account services. Refer to the Customer Account Services Charge sheet of this Tariff for the current charge. This Charge will be combined with the Service Charge for billing.

Date of Issue:

Effective:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 94

B.P.U.N.J. No. 14 GAS

Superseding

First Revised Sheet No. 94

**RATE SCHEDULE TSG-NF
NON-FIRM TRANSPORTATION GAS SERVICE**

(Continued)

COMMODITY CHARGES:

A customer may choose to receive gas supply from either:

- a) A TPS who has agreed to the terms and conditions of the Third Party Supplier Requirements portion of this Tariff, or
- b) Public Service through its Basic Gas Supply Service default service. Public Service may also supply Emergency Sales Service in certain instances as indicated below.

Third Party Supply:

A customer that receives gas supply from a TPS will be charged for gas supply according to any agreement between the customer and the TPS. The customer will not be charged for commodity by Public Service, except as provided for in Emergency Sales Service below.

Emergency Sales Service:

In the event that, during any month, if Public Service cannot confirm that the customer has an eligible TPS, or if the TPS no longer satisfies the Third Party Supplier Requirements of this tariff, Public Service may supply the deficiencies as Emergency Sales Service.

Emergency Sales Service will be offered at the sole discretion of Public Service, after taking into consideration its other firm supply obligations. Public Service reserves the right to curtail service to any customer if deliveries from customer's TPS pursuant to Third Party Supplier Requirements are curtailed.

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.

The conditions under which Emergency Sales Service will apply are detailed in Section 14 - Third Party Supplier 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-Interruptible (BGSS-I) default service, which will be applied to all therms billed each month. Refer to the Basic Gas Supply Service – Interruptible sheet of this Tariff for the current charge for BGSS-I commodity charge.

OTHER CHARGES:

See Special Provisions (d) and (e).

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 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.

TERMS OF PAYMENT:

Bills are due on presentation 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.

Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel

80 Park Plaza, Newark, New Jersey 07102

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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 101

B.P.U.N.J. No. 14 GAS

Superseding

First Revised Sheet No. 101

**RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE**

This rate schedule is limited to customers continuously taking service under this rate schedule or former Rate Schedule CEG since January 8, 2002, with the exception of any new customers for whom commitments by Public Service had been made prior to January 9, 2002.

APPLICABLE TO USE OF SERVICE FOR:

Interruptible gas delivery and supply service for the sequential production of electrical energy and useful thermal energy from the same fuel source by a Qualifying Facility, as defined in Section 201 of the Public Utility Regulatory Policies Act of 1978, and regularly meeting the efficiency standards set forth in Chapter 18 of the Code of Federal Regulations, Sections 292.205 (a) and (b) and where the combined nameplate-rated capacity of the generation equipment is not less than 1.5 megawatts and not greater than 20 megawatts. This size limitation shall not apply to customer's Qualifying Facilities receiving service under this rate schedule prior to January 1, 1993.

DELIVERY CHARGES:**Service Charge:**

\$122.49 in each month [\$131.06 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

<u>Charge</u>	<u>Charge including SUT</u>	
5.5730 ¢	5.9631 ¢	per therm for the first 600,000 therms used in each month.
4.5730 ¢	4.8931 ¢	per therm in excess of 600,000 therms used in each month.

This charge does not apply to gas sold to customers by Public Service pursuant to Special Provision (c).

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.

RGGI Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. Refer to the RGGI Recovery Charge sheet of this Tariff for the current charge.

The Societal Benefits Charge and the RGGI Recovery Charge will be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of gas capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Charges and if applicable the Extended Gas Service, Special Delivery Charge for billing.

Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 102

B.P.U.N.J. No. 14 GAS

Superseding

First Revised Sheet No. 102

**RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE**

(Continued)

Customer Account Services Charge:

This charge is designed to recover costs to implement certain customer account services. Refer to the Customer Account Services Charge sheet of this Tariff for the current charge. This Charge will be combined with the Service Charge for billing.

COMMODITY CHARGES:

Customers taking service under this rate schedule are required to receive their commodity service from Public Service. Refer to the BGSS-CIG Commodity Charge sheet of this Tariff for the current charge.

Other Charges:

See Special Provisions (c) and (n).

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. The conversion factor used for the "therm multiplier" shall be on the basis of the actual heating value of the gas used.

TERMS OF PAYMENT:

Bills are due on presentation 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.

SPECIAL PROVISIONS APPLICABLE TO ALL CUSTOMERS:

- (a) Customer must certify that qualifying status has been granted by the Federal Energy Regulatory Commission and will be required to sign a service agreement. Service will be restricted to the maximum annual and hourly requirements, and the location and equipment specified in that service agreement. Upon request by customer, Public Service may deliver available volumes of gas in excess of the maximum hourly requirement for limited periods. Such deliveries shall not be deemed to constitute a change in the requirements specified in that service agreement.
- (b) Upon advance notice of eight hours or more, from any hour of any day given to customer by Public Service by telephone, telegram or otherwise, customer shall discontinue the use of gas until further notice; customer shall designate personnel who will accept such notification at any hour of any day.
- (c) If customer does not discontinue the use of gas after notification pursuant to Special Provision (b), the Commodity Charge shall be \$1.65 (\$1.77 including SUT) per therm for an amount not to exceed one hour's maximum requirement per day of interruption. Use of this amount shall be limited to a use rate per hour not greater than 5% of customer's maximum hourly requirement.

Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No. EO09010050

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 103

B.P.U.N.J. No. 14 GAS

Superseding
Original Sheet No. 103

**RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE
(Continued)**

The charge for all additional gas used shall be ten times the highest price of the daily ranges for delivery in Transco Zone 6, New York, or Texas Eastern Zone M-3 which are published in *Gas Daily* on the table "Daily Price Survey." This rate shall not be lower than the maximum penalty charge for unauthorized daily overruns as provided for in the FERC-approved gas tariffs of the interstate pipelines which deliver gas into New Jersey.

If a customer persistently does not discontinue the use of gas after notification pursuant to Special Provision (b), in addition to the aforementioned penalty charge, the customer will be notified that it no longer qualifies for service under an interruptible rate schedule. Applicable firm service will be available on a prospective basis.

Except for pilots, however, Public Service has no obligation to supply gas at any time following notice pursuant to Special Provision (b) and may discontinue completely all other deliveries of gas to customer during the period of interruption.

If a customer requests a change from this interruptible rate schedule to firm service during the months of November through March, the customer will be switched to that firm rate schedule, subject to the availability of supply and delivery capacity, retroactive to November 1, any ten times penalties for non-compliance will not be assessed, and the customer will be charged for system reinforcement, if necessary, in accordance with Section 3, Charges for Service of the Standard Terms and Conditions of this Tariff.

- (d) Metering shall include a recording device, furnished by Public Service. Customer shall furnish an electrical supply for the operation of the recording device.
- (e) 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.
- (f) Service will not be supplied under this rate schedule and any other gas rate schedule for the same process or operation at the same location except as specified under Special Provision (i).
- (g) Public Service agrees that service under this rate schedule will not be interrupted unless service to the TSG-NF customers receiving BGSS-I default service has already been interrupted.
- (h) Gas supplied under this rate schedule is limited to a quantity equal to the lesser of either 0.150 therms for each net kilowatt-hour of cogenerated electric generation fueled by gas or the quantity of gas actually consumed by the cogeneration facility when operated in a cogeneration mode as determined by Public Service. Net cogenerated electric generation is defined as generation output less energy used to run the cogeneration facility's auxiliary equipment. Auxiliary equipment includes, but it is not limited to, forced and induced draft fans, boiler feed pumps and lubricating oil systems.
- (i) Gas supplied in excess of the quantity described in Special Provision (h) will be billed under an applicable rate schedule as determined by Public Service except as specified under Special Provision (c).

Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 104

B.P.U.N.J. No. 14 GAS

Superseding
Original Sheet No. 104

**RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE
(Continued)**

- (j) Net cogenerated electric generation fueled by natural gas will be determined each month as follows:
- (j-1) For facilities which burn two or more fuels simultaneously for cogeneration, net cogenerated electric generation will be allocated between such fuels on the Btu input of each fuel.
- (j-2) For facilities which change fuel usage between gas and an alternate fuel for cogeneration, net cogenerated electrical generation fueled by gas will be based on meter readings taken by the customer at the time the fuel change occurs or the portion of the allocated amount determined in Special Provision (h) prorated by the number of hours or days that the customer used gas.
- (k) Public Service, at its sole discretion, may utilize readings from customer or Company-owned meters to determine the quantity of gas to which this rate schedule is applicable in lieu of the allocation specified in Special Provision (j-1). The customer shall make available, and Public Service shall have the right to read, inspect and/or test such customer-owned meters during normal working hours. Additional gas, electric and/or useful thermal output meters required to determine the amount of gas to which this rate schedule is applicable will be installed, owned and operated by Public Service. However, Public Service may, at its sole option, use calculated or estimated data to determine such gas usage.
- (l) Customer is required to file a monthly report to Public Service containing the total amount of kilowatt-hours produced by the cogeneration facility.
- (m) Service under this rate schedule is not available for resale.
- (n) **Extended Gas Service:** Gas service under this Special Provision is limited to customers having an executed service agreement for this Special Provision. Customer's executed service agreement must be received by Public Service no later than November 15th for service to be provided for the upcoming winter season. Approval of the customer's request will be provided on a case by case basis so as not to adversely impact Public Service's distribution system. When service under this Rate Schedule is interrupted, service under this Special Provision will be supplied at Public Service's option. When Extended Gas Service is offered by Public Service, the following provisions shall apply:
- (n-1) In lieu of the Therm Charge hereinbefore set forth, the following charges shall apply: 1) a Special Delivery Charge which, based upon the marketability of this gas, would fall between a floor price of 10.0 cents (10.7 cents including SUT) per therm and a ceiling price of 18.0 cents (19.3 cents including SUT) per therm for each therm of Extended Gas Service supplied to the customer; and 2) a Commodity Charge which shall be the actual delivered price of propane to Public Service's BGSS supplier(s) or the highest cost gas purchased or used by Public Service's BGSS supplier(s) when service under this Special Provision is offered, whichever is the incremental gas source.

Date of Issue:

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80 Park Plaza, Newark, New Jersey 07102
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 105

B.P.U.N.J. No. 14 GAS

Superseding
Original Sheet No. 105

**RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE
(Continued)**

- (n-2) A service agreement for this Extended Gas Service shall be executed for each winter season and shall include the customer's maximum daily requirements under this Special Provision and a prepayment equal to four days of the Special Delivery Charge at a rate of 15.0 cents (16.1 cents including SUT) per therm at the customer's maximum daily requirement. Use of gas above the maximum daily requirement, on any day for which Public Service has offered and the customer has requested Extended Gas Service, will be subject to the penalty as stated in Special Provision (c). Such prepayment shall be non-refundable unless and to the extent that Public Service does not offer customer such Extended Gas Service for at least 96 hours, during the winter season. If Public Service, offers such service for less than 96 hours, the refund shall be made on a prorated basis. In addition to such prepayment, a non-refundable application charge of \$800.00 (\$856.00 including SUT) shall be paid by each customer.
- (n-3) Customer will be notified of the Extended Gas Therm Charge at least eight hours prior to the availability of this service, or prior to a change in the Extended Gas Therm Charge, by facsimile machine. Following receipt of Public Service's notice, the customer will have two hours within which to facsimile to Public Service his acceptance of the Extended Gas Therm Charge for the service. If customer does not accept this service, customer must discontinue the use of gas at the time designated by Public Service, which time shall not be less than eight hours after Public Service's notice to Customer of the availability and the Therm Charge of the Extended Gas Service. Any gas usage by customer following the time designated by Public Service shall be subject to the penalty as stated in Special Provision (c).

STATE OF NEW JERSEY AUTHORIZED TAXES:

The Transitional Energy Facility Assessment and the New Jersey Sales and Use Tax are applied in accordance with P.L. 1997, c. 162, as amended by P.L. 2006, c. 44, and are included in the appropriate charges in this rate schedule. See Section 15 of the Standard Terms and Conditions for additional details and/or exceptions.

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions of this Tariff except section 7.6, Appliance Adjustments.

Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No. EO09010050

Effective:



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April 15, 2009

Kristi Izzo, Secretary
New Jersey Board of Public Utilities
2 Gateway Center
Newark, NJ 07102

Re: In the Matter of the Proceeding For Infrastructure
Investment and a Cost Recovery Mechanism for Public
Service Electric and Gas Company
Docket No. EO09010050

Dear Secretary Izzo:

Please accept this letter as the New Jersey Large Energy Users Coalition's ("NJLEUC") comments in response to the proposed Stipulation filed by Public Service Electric and Gas Company ("PSE&G") in this matter. As an intervenor that has participated actively in the settlement discussions underlying the filing, NJLEUC has carefully reviewed the proposed Stipulation, and commends the parties for their concerted settlement efforts. For the reasons set forth below, NJLEUC will not sign the stipulation, and will not formally support or oppose it.

NJLEUC recognizes the economic necessity of taking prompt action to stimulate economic activity and growth in the state of New Jersey. We commend PSE&G, BPU Staff and Rate Counsel for working in a timely and collaborative manner to respond to Governor Corzine's call to foster economic development.

A central feature of the proposed Stipulation, however, raises a long-standing concern that, in turn, prevents NJLEUC from affirmatively supporting the Stipulation. Specifically, the allocation of project costs incorporated by the Stipulation's Electric and Gas Capital Adjustment Mechanisms (CAMs") and Associated Capital Adjustment Charges ("CACs") is essentially accomplished on a volumetric basis and is therefore inappropriate under fundamental ratemaking principles. As we have pointed out numerous times in the past, volumetric cost allocation schemes produce an inappropriate allocation of capital costs to large commercial and industrial

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California Delaware Florida Nevada New Jersey New York Pennsylvania



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ATTORNEYS AT LAW

Kristi Izzo, Secretary

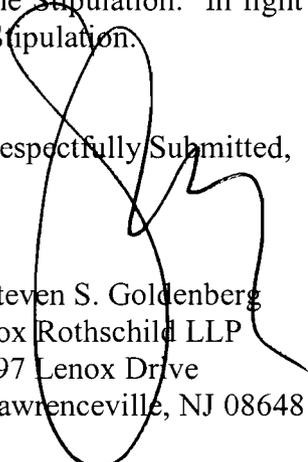
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users, including the members of NJLEUC. Governor Corzine's call for stimulus measures like those reflected in the PSE&G Stipulation is intended to foster economic development in the state. A cost allocation methodology that unfairly burdens the already struggling business community with a disproportionate share of the Stipulation's projected project costs would frustrate, rather than stimulate, the economic revival that both the Governor and the Stipulation wish to encourage. A better method of allocating the Stipulation's project costs would be to base the proposed CAM/CAC surcharge ("Surcharge") on peak demand, rather than usage. Accordingly, NJLEUC will not support or sign the Stipulation as it now stands.

While NJLEUC cannot support the volumetric nature of the Surcharge, we recognize that the Stipulation, to some degree, seeks to ameliorate that concern. The Stipulation, for example, makes clear that the surcharge is intended to serve only as an interim measure that would allow PSE&G to promptly implement the projects described in the Stipulation. The Stipulation also provides that the volumetric nature of the Surcharge is not intended to influence or govern any final determination regarding the ultimate allocation of the Stipulation's project costs among PSE&G rate classes. Consistent with the interim nature of the Surcharge, the Stipulation also preserves NJLEUC's (and all other Parties') right to address the ultimate allocation of these project costs in the base rate case contemplated by the Stipulation. In light of these mitigating features, NJLEUC does not affirmatively oppose the Stipulation.

Respectfully Submitted,



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