



February 4, 2009

In the Matter of the Petition of  
Public Service Electric and Gas Company  
Offering an Economic Energy Efficiency Stimulus Program  
in its Service Territory on a Regulated  
Basis and Associated Cost Recovery  
Mechanism Pursuant to N.J.S.A. 48:3-98.1

BPU Docket No. EO09010061

***VIA ELECTRONIC, HAND-DELIVERY & REGULAR MAIL***

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

Dear Secretary Izzo:

Enclosed for filing are the original and ten copies of the Supplemental Filing and accompanying Attachments, as well as Revised Attachments to the January 21, 2009 Petition. Please substitute the Revised Attachments to the January 21, 2009 Petition contained herein for those included in the original filing of Public Service Electric and Gas Company (PSE&G, the Company, Petitioner) in the above-entitled matter. The Company is also providing an electronic copy of the filing.

As set forth in Public Service's Petition dated January 21, 2009 in the above-entitled matter, the Company stated it would submit the remaining RGGI Minimum Filing Requirements on February 4, 2009 to satisfy its obligation to supply such required information and comply with the Board's RGGI Minimum Filing Requirements.

Attached hereto are the Revised Attachments as follows:

- Attachment 2 Revised is updated for several of the proposed sub-programs for estimated energy and emissions savings
- Attachment 3 Revised is the Appendix updated for locations of data in this Supplemental Filing
- Attachment 4 Revised is the Draft Form of Public Notice with proposed rates inserted
- Attachment 5E through 5I Revised is updated Program costs, assumptions, and energy savings
- WP\_REB-1 Revised is updated for energy and emissions savings

The Company is also submitting Attachments that supplement the January 21, 2009 Filing as follows:

- Attachment 6 contains the following financial information:
  - Comparative Historic Balance Sheet (Attachment 6A)
  - Comparative Income Statement (Attachment 6B)
  - Current Balance Sheet (Attachment 6C)
  - Utility Revenues (Attachment 6D)
  - Affiliate Payments (Attachment 6E)
  - Accounting Journal Entries (Attachment 6F)
- Attachment 7 contains the revenue requirement methodology, cost recovery mechanism and bill impact analysis:
  - Supporting spreadsheets (Attachment 7A to 7I)
  - Workpapers WP\_SS-1.xls
- Attachment 8 contains the revised tariff sheets (clean and red-lined)
- Attachment 9 contains customer bill impact analysis

Based upon the data contained in this Supplemental Filing, the Company believes it has fully satisfied its obligation to submit the requisite RGGI Minimum Filing Requirements. Therefore, Public Service respectfully requests that the Petition along with this Supplemental Filing be found administratively complete by Board Staff.

PSE&G respectfully requests that the Board expeditiously convene a Procedural Schedule Conference the week of February 9, 2009 to be conducted by a

Deputy Attorney General and that a schedule be established that will enable the Board to render and issue a Final Order on this matter in the shortest practical timeframe but, in any event, no later than April 1, 2009 to achieve the 2009 targeted timeframe for utilities to make these types of investments as suggested by Governor Corzine in his New Jersey Economic Assistance and Recovery Plan.

Public Service also respectfully requests that the Board retain jurisdiction of this matter and not transfer the filing to the Office of Administrative Law. PSE&G believes evidentiary hearings are not necessary for the Board to approve this Energy Efficiency Economic Stimulus Program. Public Service would like to note that evidentiary hearings were not held in its recently approved Carbon Abatement Program. Likewise, the Company will work diligently with all parties in this proceeding in as timely and equitable a manner as is possible to achieve a mutually agreeable resolution.

Copies of the Supplemental Filing (electronic and hard) will be served upon the Department of Law and Public Safety and upon the Public Advocate, Division of Rate Counsel.

Respectfully submitted,

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

C Attached Service List

<p>Alice Bator, Bureau Chief Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-2448 FAX: (973) 648-7420 alice.bator@bpu.state.nj.us</p>	<p>Stacy Peterson Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-2143 FAX: ( ) - stacy.peterson@bpu.state.nj.us</p>	<p>Alex Moreau, DAG NJ of Dept. Law &amp; Public Safety Division of Law 124 Halsey Street, 5th Fl. P. O. Box 45029 Newark, NJ 07101 PHONE: (973) 648-3762 FAX: (973) 648-3555/3879 Alex.Moreau@dol.lps.state.nj.us</p>	<p>Kurt Lewandowski, Esq. Assistant Deputy Public Advocate Department of the Public Advocate 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 624-1047 klewando@rpa.state.nj.us</p>
<p>Mark Beyer, Chief Economist Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 693-3414 FAX: (973) 648-4410 mark.beyer@bpu.state.nj.us</p>	<p>Michael Winka, Manager Board of Public Utilities Office of Clean Energy Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-7270 FAX: (609) 777-3330 michael.winka@bpu.state.nj.us</p>	<p>Anne Marie Shatto, DAG NJ Dept. of Law &amp; Public Safety Division of Law 124 Halsey Street PO Box 45029 Newark, NJ 07101 PHONE: (973) 648-3762 FAX: (973) 648-3555 anne.shatto@law.dol.lps.state.nj.us</p>	<p>Ami Morita Dept. of The Public Advocate Division of Rate Counsel 31 Clinton Street - 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 624-1047 amorita@rpa.state.nj.us</p>
<p>Rachel Boylan Board of Public Utilities Two Gateway Center Newark, NJ 07101 PHONE: ( ) - FAX: ( ) - Rachel.Boylan@bpu.state.nj.us</p>	<p>Samuel Wolfe, Chief Counsel Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-2016 FAX: ( ) - samuel.wolfe@bpu.state.nj.us</p>	<p>Babette Tenzer, DAG NJ Dept. of Law &amp; Public Safety Division of Law 124 Halsey Street PO Box 45029 Newark, NJ 07102 PHONE: (973) 648-7811 FAX: (973) 648-7156 babette.tenzer@dol.lps.state.nj.us</p>	<p>Henry Ogden Division of the Rate Counsel 31 Clinton Street 11th Floor PO Box 46005 Newark, NJ 07102 PHONE: (973) 648-6930 FAX: (973) 624-1047 hogden@rpa.state.nj.us</p>
<p>Rene Demuynck Board of Public Utilities Division of Energy Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-4968 FAX: (973) 648-7420 rene.demuynck@bpu.state.nj.us</p>	<p>Jessica L. Campbell, DAG NJ Dept. of Law &amp; Public Safety Division of Law 124 Halsey Street, 5th Flr. PO Box 45029 Newark, NJ 07101 PHONE: (973) 648-4726 FAX: (973) 648-3555 Jessica.Campbell@dol.lps.state.nj.us</p>	<p>Caroline Vachier, DAG NJ Dept. of Law &amp; Public Safety Division of Law 124 Halsey Street, 5th Flr. P.O. Box 45029 Newark, NJ 07101 PHONE: (973) 648-3709 FAX: (973) 648-3555 caroline.vachier@dol.lps.state.nj.us</p>	<p>Felicia Thomas-Friel, Managing Attorney - Gas Department of the Public Advocate 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 624-1047 fthomas@rpa.state.nj.us</p>
<p>Sheila Iannaccone, Bureau Chief Board of Public Utilities Division of Energy Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-3705 FAX: (973) 648-2467 sheila.iannaccone@bpu.state.nj.us</p>	<p>Elise Goldblat, DAG NJ Dept. of Law &amp; Public Safety Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101 PHONE: (973) 648-3709 FAX: (973) 648-3555 elise.goldblat@dol.lps.state.nj.us</p>	<p>Stefanie A. Brand, Director Dept. of The Public Advocate Division of Rate Counsel 31 Clinton Street - 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 624-1047 sbrand@rpa.state.nj.us</p>	<p>Andrew Dembia, Assistant General Corporate Rate Counsel PSEG Services Corporation 80 Park Plaza, T-05 Newark, NJ 07101 PHONE: (973) 430-6145 FAX: (973) 648-0838 andrew.Dembia@pseg.com</p>
<p>Kristi Izzo, Secretary Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-3426 FAX: (973) 638-2409 kristi.izzo@bpu.state.nj.us</p>	<p>Jenique Jones Division of Law &amp; Public Safety 124 Halsey St. PO Box 45029 Newark, NJ 07102 PHONE: (973) 648-3441 FAX: (973) 648-3879 jenique.jones@dol.lps.state.nj.us</p>	<p>Paul Flanagan, Litigation Manager Dept. of The Public Advocate Division of Rate Counsel 31 Clinton Street - 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 642-1047 pflanagan@rpa.state.nj.us</p>	<p>Connie E. Lembo Public Service Electric &amp; Gas Co 80 Park Plaza, T-08C Newark, NJ 07102 PHONE: (973) 430-6273 FAX: (973) 648-0838 constance.lembo@pseg.com</p>
<p>Son Lin Lai Board of Public Utilities Office of the Economist Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-3454 FAX: (973) 648-4410 son-lin.lai@bpu.state.nj.us</p>	<p>Kerri Kirschbaum, DAG NJ Dept. of Law &amp; Public Safety Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101 PHONE: (973) 648-7811 FAX: (973) 648-3555 kerri.kirschbaum@law.dol.lps.state.nj.us</p>		<p>Frances I. Sundheim, Esq. VP &amp; Corporate Rate Counsel Public Service Electric &amp; Gas Co 80 Park Plaza, T-08C Newark, NJ 07101 PHONE: (973) 430-6928 FAX: (973) 648-0838 frances.sundheim@pseg.com</p>
<p>Mona Mosser, Bureau Chief Board of Public Utilities Bureau of Conservation &amp; Removable Energy Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-2891 FAX: (973) 648-7420 mona.mosser@bpu.state.nj.us</p>			

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**Energy Efficiency Economic Stimulus Initiative  
Residential Whole House Efficiency Sub-Program**

<p><b>Description of Program</b></p>	<p>The primary objective of the Residential Whole House Efficiency Sub-Program is to reduce the energy consumption of residential customers by direct installation of cost effective measures recommended by an energy audit. The goal is to motivate residential energy consumers to use a whole-house approach to reducing energy consumption when considering home improvements such as new heating and air conditioning equipment, replacing windows, or adding insulation. Rather than focusing on a single component, the homeowner will be provided with an assessment of how a combination of improvements, such as air sealing and duct leaks, adding insulation, improving the HVAC system and upgrading lighting and appliances would result in a more comfortable home, with lower electricity or natural gas consumption. This sub-program will achieve this goal through the direct installation of energy savings measures, as recommended by an energy audit. This sub-program will also provide comprehensive, personalized customer energy education and counseling. Three tiers of service will be offered to customers.</p> <p>During the audit, and with the customer’s approval, PSE&amp;G will install up to ten CFLs in specific areas of higher energy use, as well as other specific energy efficiency measures. The audit will be designed to estimate potential energy savings due to infiltration and heat loss through walls and attics. In addition, the assessment will include identification of the age and size of the heating, air conditioning and water heating systems, the last service date, and assessment of duct leakage and insulation. The report will be presented to the customer with recommendations for upgrades and information about available incentives.</p>
<p><b>Target Market Efficiency Program Targeted</b></p>	<p>The Residential Whole House Efficiency Sub-Program will be targeted to:</p> <ol style="list-style-type: none"> <li>1. Residential customers in existing homes who receive electricity and/or natural gas from PSE&amp;G.</li> <li>2. Single family housing and multi-family with 2-4 units.</li> <li>3. Residential customers in municipalities that contain Urban Enterprise Zone (UEZs). The following UEZ municipalities are located in PSE&amp;G’s service territory: Mount Holly, Pemberton, Camden, East Orange, Irvington, Newark, Orange, Bayonne, Guttenberg, Jersey City, Kearny, North Bergen, Union City, West New York, Trenton, Passaic, Paterson, Carteret, Perth Amboy, Elizabeth, Hillside, Roselle and Plainfield.</li> <li>4. Customers determined to be participants in the Universal Service Fund (USF), or those who are income qualified for other programs that provide greater benefits (such as the Comfort Partners Program or the Weatherization Assistance Program) will be referred to such programs.</li> </ol>

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**Energy Efficiency Economic Stimulus Initiative  
Residential Whole House Efficiency Sub-Program**

<p><b>Delivery Method</b></p>	<p>PSE&amp;G will identify a sub-program manager, along with supporting technical staff, to oversee the sub-program operation, coordination with the Clean Energy Program and other utility's programs, contractor oversight and trade ally relations.</p> <p>PSE&amp;G will implement the Residential Whole House Efficiency Sub-Program using the same procedures developed for the PSE&amp;G Carbon Abatement Residential Home Energy Tune-up Sub-Program. PSE&amp;G will continue to utilize the same audit tool used by the NJCEP Home Performance with Energy Star. The assessment will include identification of the age and size of the heating, air conditioning and water heating systems, the last service date, and assessment of duct leakage and insulation. The report will be presented to the customer with recommendations for upgrades and information about available incentives.</p> <p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>For the purposes of this sub-program, for those projects that qualify as a "public work" as defined by statute, the service provider will adhere to all aspects of the New Jersey State Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq., and will require the same of all subcontractors. For those projects that do not qualify as public works, service providers will be required to pay the equivalent of the prevailing wages for the county in which the work is to be performed, unless the work is performed by union employees, in which case the employees will be paid in accordance with the union contract.</p>		
<p><b>Estimated Program Participants</b></p>	<p>About 7,456 individual dwelling units. Number treated may vary depending upon the level of energy efficiency work required.</p>	<p><b>Estimated Savings</b></p>	<p>kW - 883</p> <p>kWh</p> <ul style="list-style-type: none"> <li>• Annual – 5,427,968</li> <li>• Lifetime – 86,847,488</li> </ul> <p>Dtherms</p> <ul style="list-style-type: none"> <li>• Annual – 27,587</li> <li>• Lifetime – 551,744</li> </ul> <p>Note: savings will vary based on Tier participation level.</p>

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**Energy Efficiency Economic Stimulus Initiative  
Residential Home Energy Efficiency Sub Program**

<b>in to Existing Programs</b>	Existing programs include: NJCEP Comfort Partners (Low Income Program) and NJCEP Home Performance with Energy Star (HPES) PSE&G Carbon Abatement Residential Home Energy Tune-up		
<b>Existing Incentives</b>	<p>Comfort Partners installs energy efficiency measures and health and safety measures at no cost to customer.</p> <p>HPES provides an audit for \$125 and up to 8 hours of blower door guided air sealing at no charge. Additional energy efficiency measures can be provided with a 10-50% rebate (up to \$5,000) or a 3.99% low interest loan.</p>	<b>Proposed Incentives</b>	<p>Tier 1 - Audit with installation of simple energy savings measures such as CFLs at no charge.</p> <p>Tier 2 - Includes Tier 1 plus up to \$1,000 in air sealing at no charge.</p> <p>Tier 3 – Includes all measures covered by HPES. Incentive covers 80% of costs for customers between 225-300% of federal poverty guideline and 50% incentive for customers with income greater than 300% of federal poverty guideline. Customers may repay their share of the cost through their energy bill over a period of 24 months.</p>
<b>Anticipated Job Creation</b>	<p>This estimate of potential job creation was developed using factors developed by the Center on Wisconsin Strategy as reported by SAHF (Steward of Affordable Housing for the Future) in a literature review of research that demonstrates green job creation. This approach provides factors for both union and non-union wage jobs created or saved per \$1M investment. The SAHF review is attached as Attachment 2A.</p> <p>Approximately 120 Jobs.</p>		
<b>Budget Information</b>	\$25,000,000 Investment		
<b>Marketing Approach</b>	<p>PSE&amp;G will work closely with municipal, local community, and non-profit entities to identify neighborhoods to target for sub-program participation. If community recruitment activities require augmentation, other marketing channels such as direct mail, bill inserts, and website will be employed. In addition community events such as local festivals and green fairs will be used to promote energy efficiency. Sub-program information will be posted on PSE&amp;G's website and provided through the utility Call Center.</p>		

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**Energy Efficiency Economic stimulus initiative  
Residential home use Efficiency sub program**

<b>Contractor Role</b>	In circumstances that require expertise that PSE&G does not have currently and cannot develop in time to meet the market need, PSE&G will obtain services for the installation of the approved measures from qualified service providers. If deemed necessary, contractor services could include: marketing and program enrollment services, provision of on-site customer audits, identification and recommendations for efficiency improvements above and beyond those provided by the sub-program, technical review and consultation, and direct installation of customer-accepted cost-effective efficiency improvements identified under the program.
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**Energy Efficiency Economic Stimulus Initiative  
Residential Multi-Family Housing Sub-Program**

<p><b>Description of Program</b></p>	<p>The objective of the Residential Multi-Family Housing Sub-Program is to increase energy efficiency and reduce carbon emissions of existing residential housing developments. These buildings typically face thin operating margins and constrained ability to increase rents, which leads to deferred maintenance, poor condition, on going deterioration, and energy inefficiency that in turn further erodes operating margins and the ability to retrofit an inefficient building. High energy costs during the 2005-2008 timeframe have exacerbated these conditions. This sub-program will focus on providing cost-effective retrofit energy efficiency opportunities to this customer group.</p> <p>There about 500,000 rental units in multi-family housing in the state of New Jersey and that market represents about 16% of the total number of residential units in the state and about 26% of all dwelling units in New Jersey central cities.</p> <p>Multi-Family Housing building owners will receive an investment grade audit of their building(s) at no cost. All measures identified by the audit as having a simple payback of fifteen years or less will be targeted for retrofit opportunities. Audit results will determine the potential savings derived through a variety of measures and technologies including lighting, HVAC, humidification, building envelope, motors, and other energy consuming equipment.</p> <p>Energy efficiency measures with a payback of 15 years or less will be considered for incentives under this sub-program. This sub-program will provide an incentive by buying down the payback by 7 years, down to a level not less than 2 years. For example, a project with a 15 year payback will receive an incentive which will effectively reduce the payback to 8 years by buying down the payback by 7 years. A project with a payback of 5 years will receive an incentive which will effectively reduce the payback to 2 years.</p> <p>The customer is responsible for financing construction costs. PSE&amp;G's investment in the program will be made after successful completion of a final inspection. Building owners may repay their contribution to the project (total cost less this sub-program incentive) over a period of six years or in a lump sum following the final inspection. There will not be a funding cap imposed per building in order to encourage a whole building approach. Opportunities to participate in PJM's Demand Response program will be identified, and information will be provided to building owners regarding participating Curtailable Service Providers (CSPs).</p>
<p><b>Targeted Efficiency Program</b></p>	<p>The Residential Multi-Family Housing Sub-Program will target residential multi-family buildings where:</p> <ol style="list-style-type: none"><li>1. Natural gas and/or electricity is provided by PSE&amp;G</li></ol>

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Energy Efficiency Economic stimulus initiative  
Residential multi family housing sub program

	<p>2. Multi-family housing with five or more units.</p> <p>3. Building is master metered or individually metered</p> <p>4. Garden apartment and high rise facilities</p> <p>5. Affordable and Market Rate</p> <p>Urban rehabilitation projects identified by municipalities in PSE&amp;G's service territory.</p>
<p><b>delivery method</b></p>	<p>PSE&amp;G will identify a sub-program manager, along with supporting technical staff, to oversee the sub-program operation, coordination with the Clean Energy Program and other utility programs, contractor oversight and trade ally relations.</p> <p>The sub-program audit will be provided through a qualified audit professional employed by PSE&amp;G. The scope of work will include the on-site energy audit and the preparation of an audit report citing energy savings opportunities with associated payback information, using pre-determined calculations and algorithms. PSE&amp;G will review facility audit results with the building owner to establish baseline performance information and projected savings. Based on the audit results, PSE&amp;G will enter into contracts with the building owner to provide funding of eligible measures.</p> <p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>For the purposes of this sub-program, for those projects that qualify as a "public work" as defined by statute, the service provider will adhere to all aspects of the New Jersey State Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq., and will require the same of all subcontractors. For those projects that do not qualify as public works, service providers will be required to pay the equivalent of the prevailing wages for the county in which the work is to be performed, unless the work is performed by union employees, in which case the employees will be paid in accordance with the union contract.</p>

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**Energy Efficiency Economic Stimulus Initiative  
Residential Multifamily Housing Subprogram**

<b>Estimated program participants</b>	About 7,456 individual dwelling units. Number treated may vary depending upon the level of energy efficiency work required.	<b>Estimated savings</b>	kW - 883 kWh <ul style="list-style-type: none"> <li>• Annual - 5,427,968</li> <li>• Lifetime - 86,847,488</li> </ul> Dtherms <ul style="list-style-type: none"> <li>• Annual - 27,587</li> <li>• Lifetime – 551,744</li> </ul>
<b>in to Existing programs</b>	<p>Program provides targeted services to market with incomplete opportunities within existing CEP portfolio.</p> <p>Smaller properties may qualify for Home Performance w/ Energy Star. Larger properties may qualify for NJCEP Pay for Performance incentives and/or qualify for Smart Start equipment rebates, but may not take this sub-program and NJCEP incentives for the same measures.</p>		
<b>Existing incentives</b>	Although no existing programs are targeted specifically to this market, multi-family buildings would be eligible for CEP Home Performance w/ Energy Star or C&I program incentives.	<b>Proposed incentives</b>	<p>Program provides:</p> <ol style="list-style-type: none"> <li>1) professional energy audit free of charge.</li> <li>2) incentives to lower the simple payback period from 15 years or less by seven years to no less than two years for energy efficiency measures recommended by the audit.</li> <li>3) PSE&amp;G will pay the total cost of the measures upon completion of the project and successful completion of a final inspection. Customers will repay their contribution to the project (total cost less the PSE&amp;G incentive) over a period of six years through their PSE&amp;G bill.</li> </ol>
<b>Anticipated Job Creation</b>	<p>This estimate of potential job creation was developed using factors developed by the Center on Wisconsin Strategy as reported by SAHF (Steward of Affordable Housing for the Future) in a literature review of research that demonstrates green job creation. This approach provides factors for both union and non-union wage jobs created or saved per \$1M investment. The SAHF review is attached as Attachment 2A.</p> <p>Approximately 60 Jobs.</p>		
<b>Budget information</b>	\$25,000,000 Investment		

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**Energy Efficiency Economic stimulus initiative  
Residential multi-family housing sub program**

<b>Marketing approach</b>	<p>This sub-program will leverage existing agencies and associations that serve the multi-family housing market to identify participating housing projects. Sub-program specific marketing efforts will target affordable housing agencies, apartment associations, building owners, communities, and residents. PSE&amp;G does not anticipate using any mass media or extensive direct marketing media to identify eligible participants, however, marketing may include targeted direct marketing and community outreach and direct contact by vendor personnel and large customer support managers.</p> <p>PSE&amp;G will hold meetings with prospective participants to explain this sub-program in detail, including the benefits of sub-program participation.</p>
<b>Contractor Role</b>	<p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>Contractor(s) services may include:</p> <ul style="list-style-type: none"><li>• marketing and program enrollment;</li><li>• provision of on-site customer audits;</li><li>• identification and recommendations for efficiency improvements above and beyond those provided by the sub-program; and</li><li>• direct installation of customer-accepted cost-effective efficiency improvements identified under the sub-program.</li></ul>

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Energy Efficiency Economic Stimulus Initiative  
Commercial Business Direct Install Sub-Program

<p><b>description of program</b></p>	<p>The objective of the C&amp;I - Small Business Direct Install Sub-Program is to rapidly acquire durable savings in energy and peak demand usage among small and medium C&amp;I customers with peak demands of 200 kW or less. These customers are traditionally hard to reach with standard approaches such as rebate and incentive programs. This sub-program will therefore focus on overcoming the numerous barriers existing among this customer group to target cost-effective retrofit efficiency opportunities.</p> <p>The customer will be provided an energy audit encouraging acceptance of sub-program delivered measures as applicable at that site. The audit will identify supplementary energy savings opportunities as well as identifying coordinated programs to further assist the customer with their follow through for these additional energy efficiency efforts.</p> <p>For many small C/I programs, lighting has been at the forefront of measures installed as well as the primary contributor to savings results. While this is also anticipated in this sub-program, focus on HVAC diagnostics and improvements to existing heating and air conditioning systems to optimize efficiency is also included along with Domestic Hot Water (DHW) measures. Through the diagnostic procedures, heating and AC units that are so inefficient that it is cost-effective to replace will be identified and the unit will be evaluated for replacement with a high efficiency one.</p> <p>PSE&amp;G will conduct a free audit of eligible facilities and provide a report of recommended energy savings improvements. Customers who have received a NJCEP Municipal Audit Program audit will be able to use those audit results in lieu of the Municipal Direct Installation Sub-Program audit.</p> <p>PSE&amp;G will initially provide 100% of the cost to install the recommended energy savings improvements upfront. In lieu of the PSE&amp;G audit, the customer may submit a copy of an energy audit performed under the NJCEP Municipal Energy Audit to PSE&amp;G and PSE&amp;G will review the audit to determine eligible measures under this sub-program. Upon completion of the work, the customer will be required to repay 20% of the total cost to PSE&amp;G, either in a lump sum or over two years, interest free, on their PSE&amp;G bill.</p> <p>Typical eligible measures lists will include but are not limited to:</p> <p><b>lighting:</b></p> <ul style="list-style-type: none"><li>• Super T8 lamp / ballast</li><li>• Fluorescent high-low bay fixture – interior</li><li>• Super T8 fixture</li><li>• CFL fixture – interior</li><li>• CFL screw-ins – interior / exterior</li></ul>
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**Energy Efficiency Economic Stimulus Initiative**  
**Commercial Small Business Direct Install Sub-Program**

	<ul style="list-style-type: none"> <li>• MH 25 W int ballast Par38</li> <li>• Occupancy – (on-off), (high-low)</li> <li>• LED Exit Signs</li> </ul> <p style="text-align: center;"><b>C</b></p> <ul style="list-style-type: none"> <li>• Tune Up (Heating-Cooling)</li> <li>• Ventilation VFD</li> <li>• Duct Sealing (Heating-Cooling)</li> <li>• Dual Enthalpy Control</li> <li>• Vent Premium Efficiency Motors</li> </ul> <ul style="list-style-type: none"> <li>• Pipe Insulation</li> <li>• Tank Insulation</li> <li>• Temperature Set Back</li> </ul> <p><b>isc.</b></p> <ul style="list-style-type: none"> <li>• Walk-in Refrigerator Retrofit Package</li> <li>• Vending Miser</li> </ul> <p>Actual measures selection will be based on customer acceptance of measures which are determined to be applicable at each site, i.e. Not all sites will receive all measures and customers are not required to accept all recommended measures.</p>
<p style="text-align: center;"><b>Targeted Energy Efficiency Measures</b></p>	<p>The C&amp;I - Small Business Direct Install Sub-Program will target C&amp;I customers with annual peak demands of less than 200 kW monthly usage of 40,300 kWh or less, in municipalities that contain UEZs in PSE&amp;G’s electric and/or gas service territory. If a portion of the targeted municipality does not reside in the UEZ, it will not be excluded from sub-program participation.</p> <p>Customers participating in this sub-program may not receive incentives for the same measures under other utility or Clean Energy Programs.</p>
<p style="text-align: center;"><b>Delivery Method</b></p>	<p>PSE&amp;G will identify a sub-program Administrator, along with supporting technical staff, who will oversee the sub-program operation, coordination with the Clean Energy Program, other utility’s programs, contractor oversight and trade ally relations.</p> <p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-Program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p>

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**Energy Efficiency Economic Stimulus Initiative  
Commercial Business Direct Installation Sub-Program**

	<p>In the event that subcontractors are used for projects that qualify as a "public work" (as defined by statute), the service provider will adhere to all aspects of the New Jersey State Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq., and will require the same of all subcontractors. For those projects that are not public works, service providers will be required to pay the equivalent of the prevailing wages for the county in which the work is to be performed, unless the work is performed by union employees, in which case the employees will be paid in accordance with the union contract.</p>		
<p><b>Estimated program participants</b></p>	<p>Estimated 2,564 participants / facilities. Number treated may vary depending upon the level of energy efficiency work required.</p>	<p><b>Estimated savings</b></p>	<p>kW – 6,599 kWh</p> <ul style="list-style-type: none"> <li>• Annual – 32,307,692</li> <li>• Lifetime – 484,615,385</li> </ul> <p>Dtherms</p> <ul style="list-style-type: none"> <li>• Annual – 123,077</li> <li>• Lifetime – 1,846,154</li> </ul> <p>*Note –actual results will vary depending on the type and number of buildings treated.</p>
<p><b>in to Existing programs</b></p>	<p>This sub-program is similar to the 2009 NJCEP Small Commercial Direct Install program and identical to PSE&amp;G’s Carbon Abatement Program Small Business Direct Installation Sub-Program.</p>		

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**Energy Efficiency Economic Stimulus Initiative  
Commercial Business Direct Installation Sub-Program**

<p><b>Existing Incentives</b></p>	<p>Smart Start Incentives: (for 75 kW or less average demand)- includes, 8 hours free tech assist and rebates for various prescriptive measures (Most common are captured below):</p> <p style="padding-left: 40px;"><b>C</b> -based on size and efficiency (\$2500 max including shell measures)</p> <p style="padding-left: 40px;"><b>Lighting</b> – various per/unit (\$2000 max)</p> <p style="padding-left: 40px;">Motors – based on size and efficiency (\$500 max)</p> <p style="padding-left: 40px;"><b>Custom measures</b> – 20% with additional 10% for multiple measures.</p> <p>Also incentives are available for a portion of further energy audit and design consulting costs.</p>	<p><b>Proposed Incentives</b></p>	<p>This sub-program will be operated in the same manner as the PSE&amp;G Carbon Abatement Small Business Direct Installation Sub-Program. PSE&amp;G will conduct a free audit of eligible facilities and provide a report of recommended energy savings improvements. PSE&amp;G will initially provide 100% of the cost to install the recommended energy savings improvements upfront. Upon completion of the work, the customer will be required to repay 20% of the total cost to PSE&amp;G, either in a lump sum or over two years, interest free, on their PSE&amp;G utility bill.</p>
<p><b>Anticipated Job Creation</b></p>	<p>This estimate of potential job creation was developed using factors developed by the Center on Wisconsin Strategy as reported by SAHF (Steward of Affordable Housing for the Future) in a literature review of research that demonstrates green job creation. This approach provides factors for both union and non-union wage jobs created or saved per \$1M investment. The SAHF review is attached as Attachment 2A.</p> <p>Approximately 80 Jobs.</p>		
<p><b>Budget Information</b></p>	<p>\$20,000,000 Investment</p>		

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Energy Efficiency Economic Stimulus Initiative  
Commercial Business Direct Install Sub-Program

<p><b>Marketing Approach</b></p>	<p>Potential sub-program participants will initially be identified from PSE&amp;G's customer information system locating customers with qualifying energy usage profiles (an average electric demand of 200 kilowatts or less, or 40,300 kilowatt-hours or less, per month).</p> <p>Based on the final list of potential participants, eligible small business customers will be targeted for sub-program participation through PSE&amp;G's relationships with the municipalities and community agencies. Marketing materials for this sub-program will be developed for use by those entities to explain the sub-program to customers and demonstrate the benefits of an on-site audit and energy efficiency improvements. PSE&amp;G may also utilize direct marketing, such as mail or telemarketing, to reach target customers.</p> <p>This sub-program is envisioned to be a key offering of the Community Partners Program outreach, being especially attractive to communities where there is an ongoing effort to re-vitalize downtown areas with small shops and other businesses. Downtown business outreach may include "blitzing" specific commercial districts or areas of the service territory as well as other activity in conjunction with the Community Partners initiative. This approach can generate substantial two-way benefits for all related initiatives with such advantages as increased press coverage, increased word of mouth and ultimately higher acceptance rates for all Clean Energy Programs, residential and commercial, as customers see that their neighborhood businesses are participating.</p> <p>Other customer contacts like service calls, newsletters, on-bill messaging, bill inserts, monthly newsletters, community speaking engagements and events will also be utilized to promote the sub-program.</p>
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**Energy Efficiency Economic Stimulus Initiative  
Commercial Business Direct Installation Program**

<b>Contractor Role</b>	<p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>Contractor(s) services may include:</p> <ul style="list-style-type: none"><li>• marketing and program enrollment;</li><li>• provision of on-site customer audits;</li><li>• identification and recommendations for efficiency improvements above and beyond those provided by the sub-program; and</li><li>• direct installation of customer-accepted cost-effective efficiency improvements identified under the sub-program.</li></ul>
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**Energy Efficiency Economic Stimulus Initiative  
Municipal/Local/State Government Direct Install Program**

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<p><b>Description of Program</b></p>	<p>The objective of the C&amp;I - Municipal/Local/State Government Direct Install Sub-Program is to rapidly acquire durable savings in energy and peak demand usage among municipal, local, and state government and non-profit entities.</p> <p>Most of these entities, particularly in older urban cities and towns with aging facilities, under-funded maintenance budgets and defer maintenance. Government contracting procedures, lack of familiarity with efficiency options, and the requirement to seek approval from the governing body for a capital budget item, make it difficult for government officials to identify, and act on, opportunities to reduce energy costs. Government also tends to diffuse and dilute responsibility for energy upgrades to the individual department level, while payment of bills often resides at a central finance office. There is little incentive for departments to upgrade the energy efficiency of their buildings because the reward for reduced energy bills may simply be a reduced budget in the subsequent year.</p> <p>For many C&amp;I programs, lighting has been at the forefront of measures installed as well as the primary contributor to savings results. While this is also anticipated in this Sub-Program, focus on HVAC diagnostics and improvements to existing heating and air conditioning systems to optimize efficiency is also included along with DHW measures. Through the diagnostic procedures, heating and AC units that are so inefficient that it is cost-effective to replace will be identified and the unit will be evaluated for replacement with a high efficiency one.</p> <p>PSE&amp;G will conduct a free audit of eligible facilities and provide a report of recommended energy savings improvements. Customers who have received a NJCEP Municipal Audit Program audit will be able to use those audit results in lieu of the C&amp;I - Municipal/Local/State Government Direct Install Sub-Program audit.</p> <p>PSE&amp;G will initially provide 100% of the cost to install the recommended energy savings improvements upfront. In lieu of the PSE&amp;G audit, the customer may submit a copy of an energy audit performed under the NJCEP Municipal Energy Audit to PSE&amp;G and PSE&amp;G will review the audit to determine eligible measures under this sub-program. Upon completion of the work, the customer will be required to repay 20% of the total cost to PSE&amp;G, either in a lump sum or over two years, interest free, on their PSE&amp;G bill.</p> <p>Typical eligible measures lists will include but are not limited to:</p> <p><b>Lighting:</b></p> <ul style="list-style-type: none"><li>• Super T8 lamp / ballast</li><li>• Fluorescent high-low bay fixture – interior</li><li>• Super T8 fixture</li></ul>
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**Energy Efficiency Economic Stimulus Initiative  
Municipal Local State Government Direct Install Program**

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	<ul style="list-style-type: none"> <li>• CFL fixture – interior</li> <li>• CFL screw-ins – interior / exterior</li> <li>• MH 25 W int ballast Par38</li> <li>• Occupancy – (on-off), (high-low)</li> <li>• LED Exit Signs</li> </ul> <p><b>C</b></p> <ul style="list-style-type: none"> <li>• Tune Up (Heating-Cooling)</li> <li>• Ventilation VFD</li> <li>• Duct Sealing (Heating-Cooling)</li> <li>• Dual Enthalpy Control</li> <li>• Vent Premium Efficiency Motors</li> </ul> <ul style="list-style-type: none"> <li>• Pipe Insulation</li> <li>• Tank Insulation</li> <li>• Temperature Set Back</li> </ul> <p><b>isc.</b></p> <ul style="list-style-type: none"> <li>• Walk-in Refrigerator Retrofit Package</li> <li>• Vending Miser</li> </ul> <p>Actual measures selection will be based on customer acceptance of measures which are determined to be applicable at each site, i.e. Not all sites will receive all measures and customers are not required to accept all recommended measures.</p>
<p><b>Targeted Energy Efficiency Program</b></p>	<p>The C&amp;I - Municipal/Local/State Government Direct Install Sub-Program will target all government and non-profit entities, who receive natural gas and/or electricity from PSE&amp;G, with annual peak demands of less than 200 kW. Customers with annual peak demand in excess of 200 kW will be considered for this sub-program on a case-by-case basis.</p> <p>Eligible facilities include municipal, local, and state government offices, courtrooms, town halls, police and fire stations, sanitation department buildings, transportation department structures, regional authorities, schools, community centers, and non-profit facilities.</p> <p>County or regionally structured bodies such as county colleges, and regional utility authorities (waster/sewer) also are included.</p> <p>In addition participants in the NJCEP Local Government Audit program will be eligible for direct install benefits under this Sub-Program.</p> <p>Customers participating in this Sub-Program may not receive incentives for the same measures under other utility or Clean Energy Programs.</p>

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**Energy Efficiency Economic stimulus initiative  
Municipal Local State Government Direct Install Program**

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<p><b>Delivery method</b></p>	<p>PSE&amp;G will identify a sub-program Administrator, along with supporting technical staff, who will oversee the sub-program operation, coordination with the Clean Energy Program, other utility's programs, contractor oversight and trade ally relations.</p> <p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-Program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>In the event that subcontractors are used for projects that qualify as a "public work" (as defined by statute), the service provider will adhere to all aspects of the New Jersey State Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq., and will require the same of all subcontractors. For those projects that are not public works, service providers will be required to pay the equivalent of the prevailing wages for the county in which the work is to be performed, unless the work is performed by union employees, in which case the employees will be paid in accordance with the union contract.</p>		
<p><b>Estimated program participants</b></p>	<p>Estimated 2,834 participants / facilities. Number treated may vary depending upon the level of energy efficiency work required.</p>	<p><b>Estimated savings</b></p>	<p>kW – 9,117 kWh</p> <ul style="list-style-type: none"> <li>• Annual – 44,635,628</li> <li>• Lifetime – 669,534,413</li> </ul> <p>Dtherms</p> <ul style="list-style-type: none"> <li>• Annual – 215,385</li> <li>• Lifetime – 3,230,769</li> </ul> <p>*Note –actual results will vary depending on the type and number of buildings treated.</p>
<p><b>Link to Existing Programs</b></p>	<p>NJCEP Local Government Audit program - can provide referrals to this program for the direct installation of energy saving measures.</p> <p>Similar to 2009 NJCEP Small Commercial Direct Install Program and the PSE&amp;G Carbon Abatement Program Small Business Direct Installation Sub-Program, but unlike those two programs which have a 200 kW capacity size limit, the C&amp;I - Municipal/Local/State Government Direct Install Sub-Program does not have a kW size limit.</p>		

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**Energy Efficiency Economic Stimulus Initiative**

**Cunicipal Local State Government Direct Install Program**

<p><b>Existing Incentives</b></p>	<p>Smart Start Incentives: (for 75 KW or less average demand)- includes, 8 hours free tech assist and rebates for various prescriptive measures (Most common are captured below):</p> <p style="padding-left: 40px;"><b>C</b>-based on size and efficiency (\$2500 max including shell measures)</p> <p style="padding-left: 40px;"><b>ighting</b> – various per/unit (\$2000 max)</p> <p style="padding-left: 40px;">Motors – based on size and efficiency (\$500 max)</p> <p style="padding-left: 40px;"><b>Custom measures</b> – 20% with additional 10% for multiple measures.</p> <p>Also incentives are available for a portion of further energy audit and design consulting costs.</p> <p>Local Government /Municipal Audit</p>	<p><b>Proposed Incentives</b></p>	<p>This sub-program will be operated in the same manner as the PSE&amp;G Carbon Abatement Small Business Direct Installation Sub-Program. PSE&amp;G will conduct a free audit of eligible facilities and provide a report of recommended energy savings improvements. PSE&amp;G will initially provide 100% of the cost to install the recommended energy savings improvements upfront. In lieu of the PSE&amp;G audit, the customer may submit a copy of an energy audit performed under the NJCEP Municipal Energy Audit to PSE&amp;G and PSE&amp;G will review the audit to determine eligible measures under this sub-program. Upon completion of the work, the customer will be required to repay 20% of the total cost to PSE&amp;G, either in a lump sum or over two years, interest free, on their PSE&amp;G bill.</p>
<p><b>Anticipated Job Creation</b></p>	<p>This estimate of potential job creation was developed using factors developed by the Center on Wisconsin Strategy as reported by SAHF (Steward of Affordable Housing for the Future) in a literature review of research that demonstrates green job creation. This approach provides factors for both union and non-union wage jobs created or saved per \$1MM investment. The SAHF review is attached as Attachment 2A</p> <p>Approximately 143 Jobs.</p>		
<p><b>Budget Information</b></p>	<p>\$35,000,000 Investment</p>		

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**Energy Efficiency Economic Stimulus Initiative**

**C      Municipal Local State Government Direct Install Program**

<p><b>Marketing Approach</b></p>	<p>Potential eligible facilities will be identified by PSE&amp;G’s Regional Public Affairs and Large Customer Support personnel. PSE&amp;G representatives will then contact the senior officials in each municipality who can authorize sub-program participation and brief them on the sub-program’s benefits and requirements. At the same time, PSE&amp;G representatives can also refer municipal officials to the NJCEP Municipal Audit Program and other NJCEP options that are available to them. Customers will have the choice of procuring an energy audit through the NJCEP program and, if they choose, can then have the identified measures installed by PSE&amp;G.</p> <p>A wide range of potential marketing channels can be utilized to promote the sub-program to the target markets, but because this sub-program is directly marketed to decision makers, customer outreach and marketing materials can be highly targeted to that audience.</p>
<p><b>Contractor Role</b></p>	<p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>Contractor(s) services may include:</p> <ul style="list-style-type: none"> <li>• marketing and sub-program enrollment;</li> <li>• provision of on-site customer audits;</li> <li>• identification and recommendations for efficiency improvements above and beyond those provided by the sub-program; and</li> <li>• direct installation of customer-accepted cost-effective efficiency improvements identified under the sub-program.</li> </ul>

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**Energy Efficiency Economic Stimulus Initiative  
Hospital Efficiency Sub-Program**

<p><b>Description of Program</b></p>	<p>The C&amp;I - Hospital Efficiency Sub-Program is designed to reduce carbon emissions by lowering the energy consumption of hospitals. According to the New Jersey Hospital Association, many New Jersey hospitals have closed their doors for good. In the last two years eight NJ hospitals were closed. Half of the remaining 75 acute care hospitals in New Jersey (down from 112 fifteen years ago) lost money last year. Five New Jersey hospitals filed for bankruptcy in the last 18 months. Many hospitals are located in areas that are not the preferred markets for most service providers. Hospitals in these areas face many challenges—Medicare reimbursements, reduced funding, staff shortages, treating the uninsured, replacing aging equipment—and rising energy costs. And they have facilities that have “mission critical” functions that require an integrated, whole-building approach. High energy costs during the 2005-2008 timeframe have exacerbated these conditions. The Energy Master Plan (EMP) identified Hospitals as a market sector that requires additional support.</p> <p>Customers will receive an investment grade audit of their hospital campus at no cost. Audit results will determine the potential savings derived through a variety of recommended measures and technologies: HVAC, humidification, building envelope, motors, and other energy consuming equipment. Lighting will be included, if applicable. There will not be a funding cap imposed per customer. This sub-program will integrate CHP measures into the same program offer and not require the customer to address CHP as a standalone technological option outside of energy efficiency.</p> <p>Energy efficiency measures, other than CHP, with a payback of 15 years or less will be considered for incentives under this sub-program. The sub-program will provide an incentive by buying down the payback by 7 years, down to a level not less than 2 years. For example, a project with a 15 year payback will receive an incentive which will effectively reduce the payback to 8 years by buying down the payback by 7 years. A project with a payback of 5 years will receive an incentive which will effectively reduce the payback to 2 years. CHP Incentives are addressed later in this document.</p> <p>The customer is responsible for financing construction costs. PSE&amp;G’s investment in the sub-program will be made after successful completion of a final inspection. Building owners may repay their contribution to the project (total cost less the sub-program incentive) over a period of three years or in a lump sum following the final inspection. Opportunities to participate in PJM’s Demand Response program will be identified, and information will be provided to building owners regarding participating Curtailable Service Providers (CSPs).</p>
<p><b>Market Segment Targeted</b></p>	<p>The C&amp;I - Hospital Efficiency Sub-Program will target:</p> <ol style="list-style-type: none"> <li>1) New and existing in-patient hospitals and other in-patient medical facilities that operate 24-7 in New Jersey</li> <li>2) Natural gas and/or electricity is provided by PSE&amp;G</li> <li>3) Both for-profit and non-profit facilities are eligible, but non-profit hospitals and hospitals in municipalities that contain Urban Enterprise Zones (UEZ) shall be provided with funding priority. The following UEZ municipalities are located in PSE&amp;G’s service territory: Mount Holly, Pemberton, Camden, East Orange,</li> </ol>

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**Energy Efficiency Economic Stimulus Initiative  
Hospital Efficiency Sub Program**

	Irvington, Newark, Orange, Bayonne, Guttenberg, Jersey City, Kearny, North Bergen, Union City, West New York, Trenton, Passaic, Paterson, Carteret, Perth Amboy, Elizabeth, Hillside, Roselle and Plainfield.		
<b>Delivery Method</b>	<p>PSE&amp;G will identify a C&amp;I sub-program manager, along with supporting technical staff, to oversee sub-program operation, coordination with the Clean Energy Program and other utility's programs, contractor oversight and trade ally relations.</p> <p>The audit will be provided through a qualified audit professional employed by PSE&amp;G. The scope of work will include the on-site energy audit and the preparation of an audit report citing energy savings opportunities with associated payback information, using pre-determined calculations and algorithms.</p> <p>PSE&amp;G will review facility audit results with the customer to establish baseline performance information and projected savings. Hospitals will obtain services for the installation of the approved measures from qualified service providers. Based on the audit results, PSE&amp;G will enter into contracts with hospitals to provide funding of eligible measures.</p> <p>PSE&amp;G may also utilize subcontractors as needed. For the purposes of this sub-program, for those projects that qualify as a "public work" as defined by statute, the service provider will adhere to all aspects of the New Jersey State Prevailing Wage Act, <i>N.J.S.A. 34:11-56.25 et seq.</i>, and will require the same of all subcontractors. For those projects that do not qualify as public works, service providers will be required to pay the equivalent of the prevailing wages for the county in which the work is to be performed, unless the work is performed by union employees, in which case the employees will be paid in accordance with the union contract.</p>		
<b>Estimated Program Participants</b>	About 31 separate building facilities. Number treated may vary depending upon the level of energy efficiency work required.	<b>Estimated Savings</b>	kW – 8,356 kWh <ul style="list-style-type: none"> <li>• Annual – 73,200,000</li> <li>• Lifetime – 1,098,000,000</li> </ul> Dtherms <ul style="list-style-type: none"> <li>• Annual – 748,466</li> <li>• Lifetime – 11,226,994</li> </ul>
<b>Fit to Existing Programs</b>	<p>This sub-program provides targeted services to market sector with incomplete opportunities within existing CEP portfolio.</p> <p>This program provides the same level of incentives as the PSE&amp;G Carbon Abatement Program.</p> <p>Hospital and medical facilities may qualify for NJCEP Pay for Performance incentives and/or qualify for Smart Start equipment rebates, but may not take this sub-program and NJCEP incentives for the same measures.</p>		

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**Energy Efficiency Economic Stimulus Initiative  
Hospital Efficiency Sub-Program**

<p><b>Existing Incentives</b></p>	<p>Although no existing programs are targeted specifically to this market, hospital facilities would be eligible for NJCEP C&amp;I program incentives.</p>	<p><b>Proposed Incentives</b></p>	<p>Program provides:</p> <ol style="list-style-type: none"> <li>1) professional energy audit free of charge.</li> <li>2) incentives to lower the payback period for measures other than CHP from 15 years or less by seven years to no less than two years for energy efficiency measures recommended by the audit. PSE&amp;G will pay the total cost of the measures upon completion of the project and successful completion of a final inspection. Customers will repay their contribution to the project (total cost less the PSE&amp;G incentive) over a period of three years through their PSE&amp;G bill. Customers may also choose to cover the cost for the balance of the project without the PSE&amp;G on-bill payment, in which case the customer contribution will be deducted from the total cost of the project to determine PSE&amp;G's payment to the customer.</li> <li>3) See below for CHP incentives</li> </ol>
<p><b>Anticipated Job Creation</b></p>	<p>This estimate of potential job creation was developed using factors developed by the Center on Wisconsin Strategy as reported by SAHF (Steward of Affordable Housing for the Future) in a literature review of research that demonstrates green job creation. This approach provides factors for both union and non-union wage jobs created or saved per \$1M investment. The SAHF review is attached as Attachment 2A.</p> <p>Approximately 140 Jobs.</p>		
<p><b>Budget Information</b></p>	<p>\$35,000,000 Investment</p>		
<p><b>Marketing Approach</b></p>	<p>This sub-program will leverage utility large customer support personnel to identify potential participating hospital new construction and retrofit projects. Sub-program specific marketing efforts will target hospital decision makers – facility manager, energy managers, and administrators. This marketing will entail targeted direct marketing and direct contact by vendor personnel and large customer support managers.</p>		

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**Energy Efficiency Economic stimulus initiative**  
**C ospital Efficiency sub program**

<b>Contractor Role</b>	<p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>Contractor(s) services may include where appropriate:</p> <ul style="list-style-type: none"> <li>• marketing and sub-program enrollment;</li> <li>• provision of on-site customer audits;</li> <li>• identification and recommendations for efficiency improvements above and beyond those provided by the sub-program; and</li> <li>• direct installation of customer-accepted cost-effective efficiency improvements identified under the sub-program.</li> </ul>
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CHP Incentives

To encourage the use of CHP, the following incentives will be provided:

1. CHP Base incentives of 30% of installed cost but not to exceed \$450 per kW (\$100 per kW paid after the plant is tested and meets the required efficiency. The remaining \$350 per kW incentive may be paid by PSE&G under this sub-program or through other available programs in a manner consistent with the EMP) of the installed system with minimum of 70% of overall efficiency.
2. CHP using advanced technologies (advanced engines with 40% and above mechanical efficiencies, etc.) to improve CHP system efficiency (Electrical and Thermal) above 80%. The total incentive will be limited to 35% of the installed cost but not to exceed \$550 per kW (\$200 per kW paid after the plant is tested and meets the required efficiency. The remaining \$350 per kW incentive may be paid by PSE&G under this sub-program or through other available programs in a manner consistent with the EMP.)
3. CHP installed in PSE&G's focused area of sub-station congestion with a minimum of 70% overall efficiency will be eligible for a total incentive limited to 40% of the installed cost but not to exceed \$600 per kW (\$250 per kW paid after the plant is tested and meets the required efficiency. The remaining \$350 per kW incentive may be paid by PSE&G under this sub-program or through other available programs in a manner consistent with the EMP). PSE&G will enter into an agreement with the customer regarding operation of the plant during congestion periods, which may include penalties if the plant does not operate during the critical congestion periods. Any penalties collected shall be credited to ratepayers.

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Energy Efficiency Economic Stimulus Initiative  
Data Center Efficiency Sub-Program

<p><b>description of program</b></p>	<p>The C&amp;I - Data Center Efficiency Program is designed to reduce carbon emissions by lowering the energy consumption of data center facilities. Data centers can be several buildings, one building; occupy one or several floors of a building; occupy one room or only a small closet space. Data centers are designed to accommodate the unique needs of energy intensive computing equipment along with specially-designed infrastructure to accommodate high electrical power consumption, redundant supporting equipment and the heat given off in the process. Data centers are owned and operated by a multitude of business, including Fortune 500 and IT companies, financial and banking institutions, and by government and academic institutions. In August 2007, the U.S. Environmental Protection Agency (EPA) developed a report in response to the request from Congress stated in Public Law 109-431 assessing current trends in energy use and energy costs of data centers and servers in the U.S. Among its findings were that in 2006, U.S. data centers used approximately 61 billion kWh (about 209 trillion Btu's in end use) and accounted for about 1.5% of all U.S. electricity consumption. This was more than the electricity consumed by the nation's color televisions or equivalent to 5.8 million average U.S. households. It is believed that by 2011 energy use by these servers and data centers could almost double to 100 billion kWh's. There is significant potential for energy efficiency improvements in data centers through new technologies already available or expected to be available in the marketplace. As many of the large data centers in New Jersey are planning to expand, and a number of new customers are planning to add new data centers, New Jersey has a unique opportunity to work with those customers to improve the energy efficiency of existing and/or new data centers.</p> <p>The C&amp;I - Data Center Efficiency Sub-Program will conduct facility audits for existing data centers and perform a design review for proposed new data center sites. Audits will consist of meeting the data center management team, reviewing the overall operation of the data center, and collecting information regarding the energy consuming devices. The audit will consider the comprehensive analysis of all of the technologies associated with the data center and will also address redundancies needed for reliability and provide a report of recommendations with potential energy and cost savings opportunities.</p> <p>PSE&amp;G will pay for the cost of the audit for an existing data center and the design review for a new data center facility. Based on the audit results, PSE&amp;G will enter into contracts with data centers to provide funding of eligible measures based on reduction in total natural gas and electricity usage and/or demand.</p>
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Energy Efficiency Economic Stimulus Initiative  
Data Center Efficiency Sub-Program**

<p><b>Targeted Efficiency Program</b></p>	<p>The C&amp;I - Data Center Efficiency Sub-Program will target: New and existing data center facilities whose natural gas and/or electricity is provided by PSE&amp;G.</p>
<p><b>Delivery Method</b></p>	<p>PSE&amp;G will identify a sub-program manager, along with supporting technical staff, to oversee program operation, coordination with the Clean Energy Program and other utility programs, contractor oversight and trade ally relations.</p> <p>PSE&amp;G will conduct an on-site audit and prepare an audit report citing energy savings opportunities with associated payback information, using pre-determined calculations and algorithms. For newly proposed data centers, PSE&amp;G will perform a plan review and provide a report citing energy savings opportunities with associated payback information, using pre-determined calculations and algorithms.</p> <p>Based on the audit results, PSE&amp;G will enter into contracts with data centers to provide funding of eligible measures. PSE&amp;G will review facility audit results with the customer to establish baseline performance information and projected savings.</p> <p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity.</p> <p>For the purposes of this sub-program, for those programs that qualify as a "public work" as defined by statute, the service provider will adhere to all aspects of the New Jersey State Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq., and will require the same of all subcontractors. For those projects that do not qualify as public works, service providers will be required to pay the equivalent of the prevailing wages for the county in which the work is to be performed, unless the work is performed by union employees, in which case the employees will be paid in accordance with the union contract.</p>

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**Energy Efficiency Economic Stimulus Initiative  
Data Center Efficiency Sub-Program**

<p><b>Estimated program participants</b></p>	<p>Estimated 16 participants/ facilities. Number treated will vary depending upon the size of participating facilities and the level of energy efficiency work required.</p>	<p><b>Estimated savings</b></p>	<p>kW – 4,384 kWh  <ul style="list-style-type: none"> <li>• Annual – 38,400,000</li> <li>• Lifetime – 576,000,000</li> </ul> Dtherms  <ul style="list-style-type: none"> <li>• Annual – 147,239</li> <li>• Lifetime – 2,208,589</li> </ul> <p>*Note –actual results will vary depending on the type and number of facilities treated.</p> </p>
<p><b>in to Existing programs</b></p>	<p>This sub-program provides targeted services to market sector with incomplete opportunities within existing CEP portfolio. Data Center facilities may qualify for Pay for Performance incentives and/or qualify for Smart Start equipment rebates</p>		
<p><b>Existing incentives</b></p>	<p>Although no existing programs are targeted specifically to this market, data center facilities would be eligible for CEP C&amp;I program lighting and HVAC incentives and possibly other customer incentives.</p>	<p><b>Proposed incentives</b></p>	<p>Program provides:  <ol style="list-style-type: none"> <li>1) professional energy audit free of charge.</li> <li>2) Design review for new construction / additions</li> <li>3) Incentives for reduced energy usage and/or demand</li> </ol> </p>
<p><b>Anticipated Job Creation</b></p>	<p>This estimate of potential job creation was developed using factors developed by the Center on Wisconsin Strategy as reported by SAHF (Steward of Affordable Housing for the Future) in a literature review of research that demonstrates green job creation. This approach provides factors for both union and non-union wage jobs created or saved per \$1M investment. The SAHF review is attached as Attachment 2A. Approximately 50 Jobs.</p>		
<p><b>Budget information</b></p>	<p>\$12,000,000 Investment</p>		
<p><b>Marketing approach</b></p>	<p>This sub-program will leverage large customer account support personnel to identify potential participating data center new construction and retrofit projects. Sub-program specific marketing efforts will target data center decision makers – facility manager, energy managers, and administrators.</p>		

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<b>Contractor Role</b>	<p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>Contractor(s) services may include where appropriate:</p> <ul style="list-style-type: none"><li>• marketing and sub-program enrollment;</li><li>• provision of on-site customer audits;</li><li>• identification and recommendations for efficiency improvements above and beyond those provided by the sub-program; and</li><li>• direct installation of customer-accepted cost-effective efficiency improvements identified under the sub-program.</li></ul>
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**Energy Efficiency Economic Stimulus Initiative**  
**C&I - Building Commissioning/O&M Sub-Program**

<p><b>Description of Program</b></p>	<p>The primary objective of the C&amp;I - Building Commissioning/O&amp;M Sub-Program (aka Retrocommissioning) is to motivate non-residential customers to reduce energy use through improvements in the manner facilities are operated and maintained. This sub-program will offer technical and financial assistance to identify and implement low cost tune-ups and adjustments that improve the efficiency of a building's operating systems by bringing them to the intended operation or design specifications, with a focus on building controls and HVAC systems.</p>
<p><b>Target Segment</b> <b>Efficiency Targeted</b></p>	<p>All non-residential customers, primarily in the commercial, governmental, and institutional sectors. Within this group, the sub-program will focus more heavily on large facilities that would typically be more receptive to retro-commissioning services.</p>
<p><b>Delivery Method</b></p>	<p>PSE&amp;G will identify a sub-program Administrator, along with supporting technical staff, who will oversee the program operation, coordination with the Clean Energy Program, other utility programs, contractor oversight and trade ally relations. PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers.</p> <p>Sub-program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>In the event that subcontractors are used for projects that qualify as a "public work" (as defined by statute), the service provider will adhere to all aspects of the New Jersey State Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq., and will require the same of all subcontractors. For those projects that are not public works, service providers will be required to pay the equivalent of the prevailing wages for the county in which the work is to be performed, unless the work is performed by union employees, in which case the employees will be paid in accordance with the union contract.</p>

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**Energy Efficiency Economic Stimulus Initiative**  
**Building Commissioning Subprogram**

<p><b>Estimated program participants</b></p>	<p>Estimated 29 participants / facilities. Number treated may vary depending upon the level of energy efficiency work required.</p>	<p><b>Estimated savings</b></p>	<p>According to a DOE review of Retro-Cx case studies, energy savings can range from 5-30% over a wide range of building uses. Most have a simple payback of &lt;2yrs.</p> <p>kW – 548  kWh</p> <ul style="list-style-type: none"> <li>• Annual – 4,800,000</li> <li>• Lifetime – 72,000,000</li> </ul> <p>Dtherms</p> <ul style="list-style-type: none"> <li>• Annual – 49,080</li> <li>• Lifetime – 736,196</li> </ul> <p>*Note –actual results will vary depending on the type and number of buildings treated.</p>
<p><b>in to Existing programs</b></p>	<p>There is currently no comparable CEP program.</p>		
<p><b>Existing incentives</b></p>	<p>There are currently no existing incentives for retro-commissioning and O&amp;M</p>	<p><b>Proposed incentives</b></p>	<p>Share the customer cost of developing the retro-commissioning plan up to a maximum of \$10,000 per project. The cost of implementing a pilot list of low-cost improvements may be subsidized on a \$/kWh saved basis to demonstrate the value of commissioning efforts.</p>
<p><b>Anticipated Job Creation</b></p>	<p>This estimate of potential job creation was developed using factors developed by the Center on Wisconsin Strategy as reported by SAHF (Steward of Affordable Housing for the Future) in a literature review of research that demonstrates green job creation. This approach provides factors for both union and non-union wage jobs created or saved per \$1M investment. The SAHF review is attached as Attachment 2A.</p> <p>Approximately 8 Jobs.</p>		
<p><b>Budget information</b></p>	<p>\$2,000,000 Investment</p>		

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**Energy Efficiency Economic Stimulus Initiative**  
**Building Commissioning Sub-program**

<p><b>Marketing Approach</b></p>	<p>Sub-program specific marketing efforts will target customers, trade allies and the energy services industry in specific market segments where commissioning and improved O&amp;M will provide cost-effective customer benefits. The sub-program will be marketed to both customers and trade allies. This marketing will entail targeted direct marketing and, direct contact by vendor personnel and Company Key Account Managers, trade shows and trade association outreach. Trade ally marketing to customers will also be an important component of the customer marketing efforts.</p>
<p><b>Contractor Role</b></p>	<p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>Contractor(s) services may include where appropriate:</p> <ul style="list-style-type: none"> <li>• marketing and sub-program enrollment;</li> <li>• provision of on-site customer audits;</li> <li>• identification and recommendations for efficiency improvements above and beyond those provided by the sub-program; and</li> <li>• direct installation of customer-accepted cost-effective efficiency improvements identified under the sub-program.</li> </ul>

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**Energy Efficiency Economic Stimulus Initiative  
Clean Technology Demonstration Sub Program**

<p><b>Description of Program</b></p>	<p>The C&amp;I - Technology Demonstration Program will be comprised of a number of technology and site-specific demonstration projects designed to measure the potential for energy savings for various technologies. The sub-program will also measure the replicability/applicability for numerous technologies and the potential for expansion to other projects. This sub-program will provide support for the State's goals including economic development and Brownfield redevelopment. The sub-Program will provide funding to test emerging energy savings technologies not currently covered by existing programs. It will be geared toward testing and proving new technologies for next generation energy efficiency programs. This sub-program may also provide funding for market research to understand consumer behavior and receptivity toward adopting new approaches to energy efficiency. Potential projects could include Plug-In Hybrid Electric Vehicle (PHEV) technology replacements for standard terminal tractor equipment used in ports and warehouses and standard utility trouble trucks, LED Streetlighting applications, standing column geothermal systems in dense urban settings, office of the future applications, micro-energy homes in urban settings, university or museum demonstration buildings, etc.</p>
<p><b>Market Segment Targeted</b></p>	<p>This sub-program will not be offered to the market as a whole. Each of the technology and site-specific demonstration projects will be targeted to a specific location and/or technology type. PSE&amp;G will identify and/or accept proposals for individual technology demonstration projects and evaluate the benefits, applicability and savings related to each project.</p>
<p><b>Delivery Method</b></p>	<p>PSE&amp;G will identify a sub-program Administrator, along with supporting technical staff, who will oversee the sub-program operation, coordination with the Clean Energy Program, other utility's programs, contractor oversight and trade ally relations.</p> <p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>In the event that subcontractors are used for projects that qualify as a "public work" (as defined by statute), the service provider will adhere to all aspects of the New Jersey State Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq., and will require the same of all subcontractors. For those projects that are not public works, service providers will be required to pay the equivalent of the</p>

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**Energy Efficiency Economic Stimulus Initiative  
Technology Demonstration Sub-Program**

	prevailing wages for the county in which the work is to be performed, unless the work is performed by union employees, in which case the employees will be paid in accordance with the union contract.		
<b>Estimated program participants</b>	Participation driven by project mix.  12 participants are estimated for the purpose of this filing.	<b>Estimated savings</b>	kW – 2,163 kWh Annual – 18,947,368 Lifetime – 284,210,526  Dtherms Annual – 192,000 Lifetime – 2,880,000  *Note – These are estimates. Actual results will vary depending on the type and number of projects.
<b>in to Existing programs</b>	There is currently no comparable NJCEP program. The 2009 NJCEP program plans do not carve out funding for a specific demonstration program category. Such a category is considered necessary as a means to test promising strategies and technologies that could be incorporated into new NJCEP offers in the future.		
<b>Existing incentives</b>	There are currently no existing incentives for demonstration projects.	<b>Proposed incentives</b>	Project specific.
<b>Anticipated Job Creation</b>	This estimate of potential job creation was developed using factors developed by the Center on Wisconsin Strategy as reported by SAHF (Steward of Affordable Housing for the Future) in a literature review of research that demonstrates green job creation. This approach provides factors for both union and non-union wage jobs created or saved per \$1M investment. The SAHF review is attached as Attachment 2A.  Approximately 50 Jobs.		
<b>Budget information</b>	\$12,000,000 Investment		
<b>Marketing approach</b>	No marketing is anticipated for this sub-program. The technology demonstration projects will be identified by the large customer account support and/or considered based on proposals submitted to the utility by technology vendors, developers, and community organizations.		

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<b>Contractor Role</b>	<p>PSE&amp;G intends to use its PSE&amp;G unionized workforce wherever possible. In circumstances that require expertise that PSE&amp;G does not have currently and cannot develop in time to meet the market need, PSE&amp;G will obtain services for the installation of the approved measures from qualified service providers. Sub-program and skill-specific qualifications will be developed and an RFP will be issued to advertise the competitive opportunity. Selection criteria typically include overall quality, completeness and responsiveness to the RFP, quality of approach, prior experience, and cost.</p> <p>Contractor(s) services may include where appropriate:</p> <ul style="list-style-type: none"><li>• marketing and sub-program enrollment;</li><li>• provision of on-site customer audits;</li><li>• identification and recommendations for efficiency improvements above and beyond those provided by the sub-program; and</li><li>• direct installation of customer-accepted cost-effective efficiency improvements identified under the sub-program.</li></ul>
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November 18, 2008

## **Retrofitting existing privately owned affordable housing—a literature review of research that demonstrates job creation as a result of greening multifamily buildings.**

### **Job Creation while reducing Energy Consumption**

There is a growing body of evidence to support the conclusion that energy efficiency initiatives have a positive effect on employment by either directly creating new business opportunities or indirectly where money saved on utility costs can then be spent in other ways.<sup>1</sup> The purpose of this brief is to review recent research conducted in the field and to highlight studies that make evident the positive impact energy efficient retrofits— from multifamily properties, to single family homes, to commercial developments— have on job creation and stimulating local economies.

*National Association of Home Builders.* A recent study by the National Association of Home Builders (NAHB) notes that 1.11 jobs and \$30,217 in taxes is generated directly for every \$100,000 spent on residential remodeling in a typical metropolitan area of the United States.<sup>2</sup> Although the NAHB remodeling report does not address green job creation, NAHB notes that the report could be used to estimate green job creation arising from energy efficient retrofit projects. The estimated cost of a typical multifamily retrofit project could be used to estimate the number of green jobs created, applying the ratio of money spent to jobs created, found in the remodeling report. For example, using NAHB's ratio, we can assume that an energy efficient retrofit project would generate 3.33 full-time jobs if the project consisted of 100 apartments costing \$3,000.00 per retrofitted unit, totaling \$300,000.00.<sup>3</sup> To date, the largest and most ambitious retrofitting project is the German Alliance for Work and the Environment. Under this initiative, 342,000 apartments were retrofitted and 140,000 jobs created or saved.<sup>4</sup>

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<sup>1</sup> Diana Ürge-Vorsatz and Aleksandra Novikova, 2007: Residential and commercial buildings. In *Climate Change 2007: Mitigation. Contribution of Working Group III*

to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change [B. Metz, O.R. Davidson, P.R. Bosch, R. Dave, L.A. Meyer (eds)], Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, p. 417

<sup>2</sup> Helen Fei Liu and Paul Emrath (October 7, 2008). "The Direct Impact of Home Building and Remodeling on the U.S. Economy," National Association of Home Builders, p. 1.

<sup>3</sup> It is important to account for the possibility that a typical energy efficiency retrofit may be more labor intensive than a normal remodeling job and the retrofit may call for workers with specialized skills.

<sup>4</sup> Michael Renner, Sean Sweeney, Jill Kubit, *Green Jobs: Towards Decent Work in a Sustainable Low-carbon World*. Worldwatch Institute. United Nations Environment Programme, International Labour Organization, International Organisation of Employers, International Trade Union Confederation, (September, 2008), pp. 133-34. It was originally estimated that 200,000 new jobs would be created under the program but actually 25,000 jobs were created and 116,000 jobs were saved during a recession of the German economy. 140,000 new or saved jobs is thus the official job number.

U.S. Conference of Mayors. The United States Conference of Mayors (USCM) and the Mayors Climate Protection Center released a report in October, 2008 entitled, "Green Jobs in Metro Areas." USCM's study provides a forecast of the number of green jobs that will be created by 2038 due to building retrofits. USCM bases its job growth estimate on the projected amount of energy that will be saved during the next thirty years.<sup>5</sup> USCM assumes a 35 percent reduction in energy consumption by 2038.<sup>6</sup> A 35 percent reduction would equal incremental savings of 32,000 million kilowatt-hours per year with 81,000 green jobs created to achieve this energy efficiency goal.<sup>7</sup> 49 percent (15,680 million kilowatt-hours) of the annual energy savings would be in the residential sector and approximately 36,000 of the 81,000 green jobs created, would be in the residential sector.<sup>8</sup> The USCM's ratio equals 2.3 green jobs created for every million kilowatt hours saved.<sup>9</sup>

Center on Wisconsin Strategy. Preliminary analysis by the Center on Wisconsin Strategy used modeling to estimate the labor content per \$1 million investment in measure installation for multifamily and single-family housing and for commercial (office buildings) in Chicago.<sup>10</sup> The findings demonstrate several points:

- Efficiency work, if brought to scale, will create thousands of installation jobs
- The precise number and type of jobs created will depend partly on program design and partly on wage scales
- Higher costs, including those for labor, will mean less energy efficiency work per unit of investment
- Based on typical construction crew make-up, about 30 percent of the work would be considered entry-level, which might provide an opportunity for modest wages, assuming the positions afford workers a way into better paying jobs<sup>11</sup>

Data from two surveys published in 2000 and 2005 by the Energy Center of Wisconsin quantify efficiency measures that would be cost-effective in various building types – energy savings would pay for the measures in 10 years or less.<sup>12</sup> The ECW report on multifamily buildings provides measure frequency by building size (units per building), where these findings were applied to Chicago's multifamily building stock.<sup>13</sup>

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<sup>5</sup> United States Conference of Mayors and the Mayors Climate Protection Center, "U.S. Metro Economies: Current and Potential Green Jobs in the U.S. Economy" (October 2008), p. 15.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> The USCM's study lumps multifamily and single-family homes into the "residential sector" in making its job growth estimate, thus making it difficult to determine exactly what portion of job growth can be attributed to the multifamily sector.

<sup>10</sup> 2008 Center on Wisconsin Strategy (COWS) study for the City of Chicago (as of yet an unpublished memo). The model used for this report – developed by COWS and the University of Florida's Powell Center for Building and Environment – is based on construction estimation techniques, taking out contractor's profit and overhead, cost for materials, and then allocating the labor portion of the investment based on loaded labor rates and typical crew make-up. The estimates do not account for other program-related costs, such as auditing or engineering studies, general program overhead, or customer service.

<sup>11</sup> *Id.*

<sup>12</sup> Scott Pigg and Andrew Price (April 2005). "Energy and Rental Housing: A Wisconsin Characterization Study." Energy Center of Wisconsin. Scott Pigg (October 2002). "Energy Savings from the Wisconsin Energy Star® Homes Program." Energy Center of Wisconsin.

<sup>13</sup> Abby Vogen (May-June 2006). "Best Practices for New Multifamily Buildings." Energy Center of Wisconsin.

By inputting loaded labor rates into the analysis, costs the contractor must pay, including liability insurance, benefits and other costs, COWS conducted three runs for each building type which resulted in the following labor rates:

1. Costs for an all-union workforce which included supervisory and skilled work at the journeyman rate, semi-skilled work at the full apprentice rate, and entry-level work at 80 percent of the apprentice rate
2. The costs to reflect a mix of union and non-union workers and arrangements to reduce contractor liability
3. The costs reflecting smaller non-union contractors<sup>14</sup>

These inputs provide a range of job-creation estimates, and highlight the tradeoff that policymakers face: To start, the higher the pay for measure installation, the fewer jobs are created for the same investment. For example, in commercial buildings, \$1 million invested in efficiency measures would produce an estimated 4.3 job-years.<sup>15</sup> The same investment would produce 5.4 job-years in the union/nonunion scenario and would result in 11.5 job-years based on the Powell Center's loaded wage survey.<sup>16</sup>

COWS "Implementation Strategy" draft provides an estimate of employment in job-years. (One job year is a full-time job for one person for one year, so 100 job-years in a 10-year program would provide 10 full-time jobs per year.):<sup>17</sup>

- The single-family residential program produces 4,864 to 12,262 job-years.
- The multifamily residential program produces 2,432 to 6,444 job-years.
- The commercial program produces 4,089 to 10,882 job-years.

Skill levels for jobs shown in the results are independent of the union status or pay of the workers, but are instead based on the make-up of a typical construction crew. Nearly 30 percent of the jobs created would be entry level, which might provide a justification for modest wages in those jobs, particularly if the work provides an opportunity to move up into better paying, possibly unionized jobs.<sup>18</sup> Weatherization programs traditionally pay much less than full union or even prevailing wage rates, citing the programs as the first step on a career ladder.<sup>19</sup>

*Greg Kats, John Braman and Michael James.* Using a macro-economic model to analyze employment impact based on costs and energy savings in a green building, Greg Kats et al. found that "relative to conventional construction, green buildings increase employment by shifting resources from energy spending toward design and construction, efficiency, renewable

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<sup>14</sup> 2008 Center on Wisconsin Strategy (COWS) study for the City of Chicago (as of yet an unpublished memo).

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* Note that the total and per-unit cost estimates in "Implementation Strategy" are based on rough estimates from current Weatherization Assistance programs, which employ non-union workers.

<sup>18</sup> *Id.* Note that the estimates in this memo are for measure installation only, and do not include program overhead or the cost of diagnosing buildings for retrofit measures.

<sup>19</sup> *Id.* Loaded labor rates from Leopardo and the Powell Center surveys respectively. These estimates do not necessarily reflect net new labor supply requirements, since some new demand is likely to be satisfied by skilled workers who are currently unemployed or underemployed.

energy, and recycling.<sup>20</sup> An input-output model was used by Kats et al. yet to be published  
“Green Buildings and Communities: Costs and Benefits” 2008 study.<sup>21</sup> Input-output models  
have previously shown that for every one million dollars spent on utilities and energy-related  
services, directly or indirectly, supported the creation of 2-4 jobs. Kats et al. assume that if the  
identical one million dollars were spent on green building, circa 8 to 12 jobs would be generated,  
directly and indirectly. One can therefore safely conclude that shifting to energy efficiency has  
the potential to create a substantial net employment benefit for the economy.<sup>22</sup> To make this  
point evident, Kats’s model assumes that reducing building energy and water use by 30%, typical  
of green buildings, costs \$3.50/sf (~a roughly 2% “green premium” on a conventional building  
with a total cost of \$175/sf). Using a conservative assumption, it is presumed that the combined  
total savings on the utility and water bills are on average \$0.50 per square foot annually. As the  
report demonstrates, this means that the reduced utility bills alone provide a payback of 7 years  
for green building improvements. “If the building is expected to last, 50 years, that means there  
will be about 43 years of utility bill savings as a benefit to the building owner occupants.”<sup>23</sup> It is  
then subsequently assumed that the building occupant borrows the money to make the  
improvements at a 7 percent interest rate over a 20-year period. “That means the architect, the  
engineer, and the building contractor immediately have work “providing a short-term stimulus  
for the economy.”<sup>24</sup> While indirectly, the resident has more money to spend during the next 20  
years as a result of lower energy and water bills.

Kats et al. further ran a model with inputs from a green office building which indicated that the  
net increase in jobs from 92,500sf green building is approximately 1/3 of a full-time job per  
year.<sup>25</sup> This translates to one net job-year being created annually per additional million dollars  
invested in green building over conventional building costs.<sup>26</sup>

On a per square foot basis, the increased economic output  
over 20 years from increased employment is roughly \$1/sf based  
on investments in energy efficiency. While small on the level of  
an individual building, a broad transition to green building can  
have significant economic impacts. For example, if the US were  
to upgrade about one-third of its commercial building space so that  
such facilities use about one-third less water and energy by 2030,  
the economy would in turn support an estimated 100,000 net new  
long-term, good-paying jobs.<sup>27</sup>

*American Council for an Energy Efficient Economy.* The American Council for an Energy  
Efficiency Economy estimated in their 2008 report that energy efficiency in the building industry  
currently supports more than one million US jobs, including 332,000 in commercial construction

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<sup>20</sup> Greg Kats, John Braman and Michael James, 2008: “Greening Buildings and Communities: The Costs and Benefits” p.75.

<sup>21</sup> *Id.* An input-output model is a set of economic accounts that model how consumers and businesses buy and sell to each other, illuminating how changes in spending can affect the economy both directly and indirectly.

<sup>22</sup> *Id.*, p.78.

<sup>23</sup> *Id.*, p.78.

<sup>24</sup> *Id.*, p.78.

<sup>25</sup> *Id.*, p.78.

<sup>26</sup> *Id.*, p.78.

<sup>27</sup> *Id.*, p.78.

and renovation.<sup>28</sup> Further, a 2007 report also conducted by the American Council for an Energy Efficiency Economy used energy efficiency and renewable energy strategies to assess the economic impact to counter Texas' growing energy demand – assuming demand that requires a cumulative \$50 billion investment statewide between 2008 and 2036. It was found that the investment would produce small reductions in profits for traditional utilities by 2035 but, over the same period of time, the net gain in job-years (i.e. years of full time employment for one person) state-wide would result in 28,300 and a \$1.7 billion net increase in wages.<sup>29</sup>

Southwest Energy Efficiency Project. Further, a 2002 study by the Southwest Energy Efficiency Project estimated that increased investment in energy efficiency could generate 20,500 net new job-years in Arizona, Colorado, New Mexico, Nevada, Utah and Wyoming by 2010. By 2020 58,400 net additional job-years would be created under a high energy efficiency scenario – compared with continuing to invest in conventional technology.<sup>30</sup> Black and Veatch examined the impact of meeting a renewable portfolio standard in Pennsylvania in 2004 and found that relative to a –business as usual– scenario, 85,000 net job-years would be created.<sup>31</sup> Finally, a 2000 report by the Association for the Conservation of Energy in the United Kingdom (UKACE) analyzed the impact of recent energy efficiency initiatives including programs for efficient HVAC systems and improved building codes. UKACE found that for every one million Euros invested in energy efficiency, 8-14 job-years were created. The types of jobs created varied from unskilled labor to skilled trades to engineering and management.<sup>32</sup>

German Experience. According to a study of general-efficiency programs in West Germany between 1973 and 1990, approximately 400,000 new jobs were created due to energy savings of 4.1 exajoules per year, which equals 100 new jobs per petajoule of primary energy saved.<sup>33</sup> Other studies performed in Europe and North America in the late 1990s show 40-60 jobs created for every petajoule of primary energy saved.<sup>34</sup>

American Solar Energy Society. The American Solar Energy Society (ASES) estimates that by 2030 the energy efficiency industry will create 14.96 million jobs assuming no change in policy and no major energy efficiency initiatives, 17.8 million new jobs assuming moderate federal and state initiative and 32.2 million new jobs assuming aggressive energy initiatives and policies at the state and federal level.<sup>35</sup>

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<sup>28</sup> Ehrhardt-Martinez, Karen and Skip Laitner (2008). *The Size of the U.S. Energy Efficiency Market: Generating a More Complete Picture* – American Council for an Energy Efficient Economy.

<sup>29</sup> John "Skip" Laitner, M. E., R. Neal Elliot (2007). *The Economic Benefits of an Energy Efficiency and Onsite Renewables Strategy to Meet Growing Electricity Needs in Texas* – American Council for an Energy Efficient Economy.

<sup>30</sup> *The New Mother Lode: the Potential for More Efficient Electricity Use in the Southwest*, Southwest Energy Efficiency Project (2002).

<sup>31</sup> *Economic impact of Renewable Energy in Pennsylvania* (2004). Black and Veatch, Heinz Endowments, Community Foundation for the Alleghenies.

<sup>32</sup> Joanne Wade, V. W., Ivan Scrase (2000). *National and Local Employment Impacts of Energy Efficiency Investment Programmes*, Association for the Conservation of Energy, UK.

<sup>33</sup> Eberhard Jochem and Reinhard Madlener, *The Forgotten Benefits of Climate Change Mitigation: Innovation, Technological Leapfrogging, Employment and Sustainable Development* (Paris: OECD, 2003), p. 18. available at <http://www.oecd.org/dataoecd/6/49/19524534.pdf> 1 petajoule is equal to approximately 277 million kilowatt-hours.

<sup>34</sup> *Id.*

<sup>35</sup> Bezdek, Roger *Renewable Energy and Energy Efficiency: Economic Drivers for the 21<sup>st</sup> Century*, American Solar Energy Society (July 2007), p. 33, 39.

Apollo Alliance. Finally, according to a study by the Apollo Alliance, 21.5 new jobs are created in the United States for every one million dollars invested in energy efficiency programs.<sup>36</sup> Using an input-output modeling exercise conducted by the Perryman Group in Waco, Texas, the findings of the study suggest that the New Apollo Project's \$300 billion investment in energy and the economy will result in an addition of 3.3 million jobs to the economy, \$1.4 trillion in GDP and produce \$284 billion in net energy cost savings, among other key ramifications.

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<sup>36</sup> Apollo Alliance, "New Energy for New America" (Washington, D.C., 2004), p. 8.

<b>APPENDIX A TO BOARD ORDER: IN THE MATTER OF PSE&amp;G OFFERING ENERGY EFFICIENCY AND CONSERVATION PROGRAMS, INVESTING IN CLASS I RENEWABLE ENERGY RESOURCES, AND OFFERING CLASS I RENEWABLE ENERGY PROGRAMS IN IT'S SERVICE TERRITORIES ON A REGULATED BASIS PURSUANT TO N.J.S.A. 48:3-98.1</b>	
<b>MIMIMUM FILING REQUIREMENTS FOR PETITIONS UNDER N.J.S.A. 48:3-98.1</b>	<b>LOCATION IN FILING</b>
<b>I. General Filing Requirements</b>	
a. The utility shall provide with all filings, information and data pertaining to the specific program proposed, as set forth in applicable sections of <u>N.J.A.C. 14:1-5.11</u> and <u>N.J.A.C. 14:1-5.12</u> .	Waiver Requested 5.12 (a) 5 Attachment 6
b. All filings shall contain information and financial statements for the proposed program in accordance with the applicable Uniform System of Accounts that is set forth in <u>N.J.A.C. 14:1-5.12</u> . The utility shall provide the Accounts and Account numbers that will be utilized in booking the revenues, costs, expenses and assets pertaining to each proposed program so that they can be properly separated and allocated from other regulated and/or other programs.	Attachment 6 Attachments 7D & 7E
c. The utility shall provide supporting explanations, assumptions, calculations, and work papers for each proposed program and cost recovery mechanism petition filed under <u>N.J.S.A. 48:3-98.1</u> and for all qualitative and quantitative analyses therein. The utility shall provide electronic copies of all materials and supporting schedules, with all inputs and formulae intact.	Attachments 5E to 5I Revised WP_REB-1 Revised
d. The utility shall file testimony supporting its petition.	Waiver Requested
e. For any small scale or pilot program, the utility shall only be subject to the requirements in this Section and Sections II, III, and IV. The utility shall, however, provide its estimate of costs and a list of data it intends to collect in a subsequent review of the benefits of the program. Information in Section V may be required for pilot and small programs if such programs are particularly large or complex. A "small scale" project is defined as one that would result in either a rate increase of less than a half of one percent of the average residential customer's bill or an additional annual total revenue requirement of less than \$5 million. A pilot program shall be no longer than three years, but can be extended under appropriate circumstances.	Waiver Requested

<b>APPENDIX A TO BOARD ORDER:                      IN THE MATTER OF PSE&amp;G OFFERING ENERGY EFFICIENCY AND CONSERVATION PROGRAMS, INVESTING IN CLASS I RENEWABLE ENERGY RESOURCES, AND OFFERING CLASS I RENEWABLE ENERGY PROGRAMS IN IT'S SERVICE TERRITORIES ON A REGULATED BASIS PURSUANT TO N.J.S.A. 48:3-98.1</b>	
<b>MIMIMUM FILING REQUIREMENTS                      FOR PETITIONS UNDER <u>N.J.S.A. 48:3-98.1</u></b>	<b>LOCATION                      IN FILING</b>
f. If the utility is filing for an increase in rates, charges etc., or for approval of a program which may increase rates/charges to ratepayers in the future, the utility shall include a draft public notice with the petition and proposed publication dates.	Attachment 4 Revised
<b>II. Program Description</b>	
a. The utility shall provide a detailed description of each proposed program for which the utility seeks approval.	Attachment 2 Revised at pages 1-33
b. The utility shall provide a detailed explanation of the differences and similarities between each proposed program and existing and/or prior programs offered by the New Jersey Clean Energy Program, or the utility.	Attachment 2 Revised at pages 3, 7,11, 17, 22, 26, 29, 32 Attachment 5 at page 5
c. The utility shall provide a description of how the proposed program will complement, and impact existing programs being offered by the utility and the New Jersey Clean Energy Program with all supporting documentation.	Attachment 2 Revised at pages 1-33 Attachment 5 at page 5
d. The utility shall provide a detailed description of how the proposed program is consistent with and/or different from other utility programs or pilots in place or proposed with all supporting documentation.	Attachment 2 Revised at pages 1-33 Attachment 5 at page 5
e. The utility shall provide a detailed description of how the proposed program comports with New Jersey State policy as reflected in reports, including the New Jersey Energy Master Plan, or, pending issuance of the final Energy Master Plan, the draft Energy Master Plan, and the greenhouse gas emissions reports to be issued by the New Jersey Department of Environmental Protection pursuant to N.J.S.A. 26:2C-42(b) and (c) and N.J.S.A. 26:2C-43 of the Global Warming Response Act, N.J.S.A. 26:2C-37 et seq.	Attachment 5 at pages 6-8
f. The utility shall provide the features and benefits for each proposed program including the following: <ul style="list-style-type: none"> <li>i. the target market and customer eligibility if incentives are to be offered;</li> </ul>	Attachment 2 Revised at pages 1-33

<b>APPENDIX A TO BOARD ORDER: IN THE MATTER OF PSE&amp;G OFFERING ENERGY EFFICIENCY AND CONSERVATION PROGRAMS, INVESTING IN CLASS I RENEWABLE ENERGY RESOURCES, AND OFFERING CLASS I RENEWABLE ENERGY PROGRAMS IN IT'S SERVICE TERRITORIES ON A REGULATED BASIS PURSUANT TO N.J.S.A. 48:3-98.1</b>	
<b>MIMIMUM FILING REQUIREMENTS FOR PETITIONS UNDER N.J.S.A. 48:3-98.1</b>	<b>LOCATION IN FILING</b>
<ul style="list-style-type: none"> <li>ii. the program offering and customer incentives;</li> <li>iii. the quality control method including inspection;</li> <li>iv. program administration; and</li> <li>v. program delivery mechanisms.</li> </ul>	
g. The utility shall provide the criteria upon which it chose the program.	Attachment 5 at page 2
h. The utility shall provide the estimated program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives including inspections and quality control, program implementation (all contract costs) and evaluation and other.	Attachment 5 at pages 12-13 Attachment 5F Revised at pages 1-6
i. The utility shall provide the extent to which the utility intends to utilize employees, contractors or both to deliver the program and, to the extent applicable, the criteria the utility will use for contractor selection.	Attachment 2 Revised at pages 1-33
j. In the event the program contemplates an agreement between the utility and its contractors and/or the utility and its ratepayers, copies of the proposed standard contract or agreement between the ratepayer and the utility, the contractor and the utility, and/or the contractor and the ratepayer shall be provided.	Waiver Requested (Provide as developed) For standard Terms & Conditions see Attachment 5D, pages 1-17
k. The utility shall provide a detailed description of the process for resolving any customer complaints related to these programs.	Attachment 5 at pages 9-10 Attachment 5C
l. The utility shall describe the program goals including number of participants on an annual basis and the energy savings, renewable energy generation and resource savings, both projected annually and over the life of the measures.	Attachment 2 Revised at pages 1-33 Attachment 5 at pages 16-17 Attachment 5H Revised at pages 1-4 Attachment 5I Revised at pages 1-12
m. Marketing – The utility shall provide the following: a description of where and how the proposed program/project will be marketed or promoted throughout the demographic segments of the utility's customer base including an explanation of how prices and the service for each proposed program/project will be conveyed to customers.	Waiver Requested for Initial Filing. (Provide as developed)

<b>APPENDIX A TO BOARD ORDER:                      IN THE MATTER OF PSE&amp;G OFFERING ENERGY EFFICIENCY AND CONSERVATION PROGRAMS, INVESTING IN CLASS I RENEWABLE ENERGY RESOURCES, AND OFFERING CLASS I RENEWABLE ENERGY PROGRAMS IN IT'S SERVICE TERRITORIES ON A REGULATED BASIS PURSUANT TO N.J.S.A. 48:3-98.1</b>	
<b>MIMIMUM FILING REQUIREMENTS                      FOR PETITIONS UNDER <u>N.J.S.A. 48:3-98.1</u></b>	<b>LOCATION                      IN FILING</b>
<b>III. Additional Required Information</b>	
a. The utility shall describe whether the proposed programs will generate incremental activity in the energy efficiency/conservation/renewable energy marketplace and what, if any, impact on competition may be created, including any impact on employment, economic development and the development of new business with all supporting documentation. This shall include a breakdown of the impact on the employment within this marketplace as follows: marketing/sales, training, program implementation, installation, equipment, manufacturing and evaluation and other applicable markets. With respect to the impact on competition the analysis should include the competition between utilities and other entities already currently delivering the service in the market or new markets that may be created.	Attachment 5 at pages 2-3
b. The utility shall provide a description of any known market barriers that may impact the program and address the potential impact on such known market barriers for each proposed program with all supporting documentation. This analysis shall include barriers across the various markets including residential (both single and multi-family), commercial and industrial (both privately owned and leased buildings), as well as between small, medium and large commercial and industrial markets. This should include both new development and retrofit or replacement upgrades across the market sectors.	Attachment 5 at pages 3-4
c. The utility shall provide a qualitative/quantitative description of any anticipated environmental benefits associated with the proposed program and a quantitative estimate of such benefits for the program overall and for each participant in the program with all supporting documentation. This shall include an estimate of the energy saved in kWh and/or therms and the avoided air emissions, wastewater discharges, waste generation and water use or other saved or avoided	Attachment 5 at pages 16-17

<b>APPENDIX A TO BOARD ORDER: IN THE MATTER OF PSE&amp;G OFFERING ENERGY EFFICIENCY AND CONSERVATION PROGRAMS, INVESTING IN CLASS I RENEWABLE ENERGY RESOURCES, AND OFFERING CLASS I RENEWABLE ENERGY PROGRAMS IN IT'S SERVICE TERRITORIES ON A REGULATED BASIS PURSUANT TO N.J.S.A. 48:3-98.1</b>	
<b>MIMIMUM FILING REQUIREMENTS FOR PETITIONS UNDER N.J.S.A. 48:3-98.1</b>	<b>LOCATION IN FILING</b>
resources.	
d. To the extent known, the utility shall identify whether there are similar programs available in the existing marketplace and provide supporting documentation if applicable. This shall include those programs that provide other societal benefits to other under-served markets. This should include an analysis of the services already provided in the market place, and the level of competition.	Attachment 2 Revised at pages 1-33 Attachment 5 at page 5
e. The utility shall provide an analysis of the benefits or impacts in regard to Smart Growth.	Attachment 5 at pages 5-6
f. The utility shall propose the method for treatment of Renewable Energy Certificates ("REC") including solar RECs or any other certificate developed by the Board of Public Utilities, including Greenhouse Gas Emissions Portfolio and Energy Efficiency Portfolio Standards including ownership, and use of the certificate revenue stream(s).	Attachment 5 at page 17
g. The utility shall propose the method for treatment of any air emission credits and offsets, including Regional Greenhouse Gas Initiative carbon dioxide allowances and offsets including ownership, and use of the certificate revenue stream(s).	Attachment 5 at page 17
h. The utility shall analyze the proposed quantity and expected prices for any REC, solar REC, air emission credits, offsets or allowances or other certificates to the extent possible.	Attachment 5 at page 17
<b>IV. Cost Recovery Mechanism</b>	
a. The utility shall provide appropriate financial data for the proposed program, including estimated revenues, expenses and capitalized investments, for each of the first three years of operations and at the beginning and end of each year of said three-year period. The utility shall include pro forma income statements for the proposed program, for each of the first three years of operations and actual or estimated balance sheets as at the beginning and end of each years of said three	Attachments 7D & 7E

<b>APPENDIX A TO BOARD ORDER: IN THE MATTER OF PSE&amp;G OFFERING ENERGY EFFICIENCY AND CONSERVATION PROGRAMS, INVESTING IN CLASS I RENEWABLE ENERGY RESOURCES, AND OFFERING CLASS I RENEWABLE ENERGY PROGRAMS IN IT'S SERVICE TERRITORIES ON A REGULATED BASIS PURSUANT TO N.J.S.A. 48:3-98.1</b>	
<b>MIMIMUM FILING REQUIREMENTS FOR PETITIONS UNDER <u>N.J.S.A. 48:3-98.1</u></b>	<b>LOCATION IN FILING</b>
year period.	
b. shall provide detailed spreadsheets of the accounting treatment of the cost recovery including describing how costs will be amortized, which accounts will be debited or credited each month, and how the costs will flow through the proposed method of recovery of program costs.	Attachment 6F
c. The utility shall provide a detailed explanation, with all supporting documentation, of the recovery mechanism it proposes to utilize for cost recovery of the proposed program, including proposed recovery through the Societal Benefits Charge, a separate clause established for these programs, base rate revenue requirements, government funding reimbursement, retail margin, and/or other.	Attachment 7
d. The utility's petition for approval, including proposed tariff sheets and other required information, shall be verified as to its accuracy and shall be accompanied by a certification of service demonstrating that the petition was served on the Department of the Public Advocate, Division of Rate Counsel simultaneous to its submission to the Board.	Attachment 8
e. The utility shall provide an annual rate impact summary by year for the proposed program, and an annual cumulative rate impact summary for all approved and proposed programs showing the impact of individual programs as well as the cumulative impact of all programs upon each customer class of implementing each program and all approved and proposed programs based upon a revenue requirement analysis that identifies all estimated program costs and revenues for each proposed program on an annual basis. The utility shall also provide an annual bill impact summary by year for each program, and an annual cumulative bill impact summary by year for all approved and proposed programs showing bill impacts on a typical customer for each class.	Attachment 9
f. The utility shall provide, with supporting documentation, a detailed breakdown of the total costs for the proposed program, identified by cost segment (capitalized costs, operating expense, administrative	Attachments 7D & 7E

<b>APPENDIX A TO BOARD ORDER: IN THE MATTER OF PSE&amp;G OFFERING ENERGY EFFICIENCY AND CONSERVATION PROGRAMS, INVESTING IN CLASS I RENEWABLE ENERGY RESOURCES, AND OFFERING CLASS I RENEWABLE ENERGY PROGRAMS IN IT'S SERVICE TERRITORIES ON A REGULATED BASIS PURSUANT TO N.J.S.A. 48:3-98.1</b>	
<b>MIMIMUM FILING REQUIREMENTS FOR PETITIONS UNDER N.J.S.A. 48:3-98.1</b>	<b>LOCATION IN FILING</b>
expense, etc.). This shall also include a detailed analysis and breakdown and separation of the embedded and incremental costs that will be incurred to provide the services under the proposed program with all supporting documentation.	
g. The utility shall provide a detailed revenue requirement analysis that clearly identifies all estimated program costs and revenues for the proposed program on an annual basis, including effects upon rate base and pro forma income calculations.	Attachments 7B & 7C
h. The utility shall provide, with supporting documentation: (i) a calculation of its current capital structure as well as its calculation of the capital structure approved by the Board in its most recent electric and/or gas base rate cases, and (ii) a statement as to its allowed overall rate of return approved by the Board in its most recent electric and/or gas base rate cases.	Attachment 7A
i. If the utility is seeking carrying costs for a proposed program, the filing shall include a description of the methodology, capital structure, and capital cost rates used by the utility.	Attachment 7
j. A utility seeking incentives or rate mechanism that decouples utility revenues from sales, shall provide all supporting justification, and rationale for incentives, along with supporting documentation, assumptions and calculations.	N/A
<b><u>V. Cost/Benefit Analysis</u></b>	
a. The utility shall provide a detailed analysis with supporting documentation of the net benefits associated with the proposed program, including, if appropriate, a comprehensive and detailed avoided cost savings study with supporting documentation. The value of the avoided environmental impacts and the environmental benefits and the value of any avoided or deferred energy infrastructure should be stated separately.	Analysis to be performed by CEEEP
b. The utility shall calculate a cost/benefit analysis utilizing the Total	Analysis to be performed by CEEEP

<b>APPENDIX A TO BOARD ORDER: IN THE MATTER OF PSE&amp;G OFFERING ENERGY EFFICIENCY AND CONSERVATION PROGRAMS, INVESTING IN CLASS I RENEWABLE ENERGY RESOURCES, AND OFFERING CLASS I RENEWABLE ENERGY PROGRAMS IN IT'S SERVICE TERRITORIES ON A REGULATED BASIS PURSUANT TO N.J.S.A. 48:3-98.1</b>	
<b>MINIMUM FILING REQUIREMENTS FOR PETITIONS UNDER N.J.S.A. 48:3-98.1</b>	<b>LOCATION IN FILING</b>
Resource Cost ("TRC") test that assesses all program costs and benefits from a societal perspective. The utility may also provide any cost benefit analysis that it believes appropriate with supporting rationales and documentation.	
c. The utility shall quantify all direct and indirect benefits as well as provide projected costs resulting from a proposed program that is subject to a cost/benefit test.	PSE&G will provide inputs for cost/benefit analysis
d. Renewable energy programs shall not be subject to a cost/benefit test but the utility must quantify all direct and indirect benefits resulting from such a proposed program as well as provide the projected costs. The utility must also demonstrate how such a proposed program will support energy and environmental statewide planning objectives, such as attainment of the Renewable Portfolio Standard and any emission requirements.	Analysis to be performed by CEEEP
e. The utility must demonstrate for the proposed program that it results in a positive benefit/cost ratio, or, if the utility cannot make such a demonstration, it must provide the rationale for why the proposed program should be approved.	Analysis to be performed by CEEEP
f. The level of energy and capacity savings utilized in these calculations shall be based upon the most recent protocols approved by the Board of Public Utilities to measure energy savings for the New Jersey Clean Energy Program. In the event no such protocols exist, or to the extent that a protocol does not exist for a filed program, the utility must submit a measurement protocol for the program or contemplated measure for approval by the Board.	Analysis to be performed by CEEEP
g. The utility shall also quantify and deduct from the energy and capacity savings any free rider effects and the business as usual benefits from homeowners and businesses installing Energy Efficiency or Renewable Energy without the N.J.S.A. 48:3-98.1 benefits or incentives.	Analysis to be performed by CEEEP

## NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY CUSTOMERS

### IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY OFFERING AN ECONOMIC ENERGY EFFICIENCY STIMULUS PROGRAM IN ITS SERVICE TERRITORY ON A REGULATED BASIS AND ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO N.J.S.A 48:3-98.1

#### Notice of a Filing And Notice of Public Hearings

#### Docket No. EO09010061

**TAKE NOTICE** that, on January 21, 2009 Public Service Electric and Gas Company ("Public Service", "PSE&G", "the Company") filed a Petition and supporting documentation with the New Jersey Board of Public Utilities ("Board", "BPU") in Docket Number EO09010061. On February 4, 2009 the Company made a Supplemental Filing with supporting documentation. The Company is seeking Board approval to implement and administer a PSE&G Economic Energy Efficiency Stimulus Program ("Program") and to approve an associated cost recovery mechanism.

PSE&G seeks Board approval to implement an Economic Energy Efficiency Stimulus Program to offer energy efficiency projects to residential, industrial and commercial customers. PSE&G is proposing to undertake a set of eight (8) sub-programs resulting in an investment of approximately \$190 million over a two-year period. The Program directly supports the Governor's New Jersey Economic Assistance and Recovery Plan.

PSE&G proposes to recover all Program costs through a separate component of the electric and gas RGGI Recovery Charge ("RRC") entitled Economic Energy Efficiency Stimulus Program. The Economic Energy Efficiency Stimulus Program component will be applicable to all electric and gas rate schedules. The component would be reviewed and modified in an annual filing. The Company is requesting that the carrying charge on its deferred balances for this Program be set based upon PSE&G's monthly weighted average cost of capital, together with the income tax effects. The proposed RRC, if approved by the Board, is shown in Table #1.

Table #2 and #3 below provides customers with the approximate net effect of the proposed increase in rates relating to this Program, if approved by the Board. The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage. The approximate effect of the

proposed increase on typical electric and gas residential monthly bills, if approved by the Board, is illustrated in Table # 4 and 5 below.

Based on the filing, a typical residential electric customer using 722 kilowatthours per summer month and 6,960 kilowatthours on an annual basis would see an initial increase in the annual bill from \$1,269.28 to \$1,271.72, or \$2.44 or approximately 0.19%.

Under the Company's proposal, a residential heating customer using 100 therms per month during the winter months and 606 therms on an annual basis would see an initial increase in the annual bill from \$983.94 to \$985.34, or \$1.40 or approximately 0.14%. Moreover, under the Company's proposal, a typical residential heating customer using 200 therms per month during the winter months and 1,210 therms on an annual basis would see an initial increase in the annual bill from \$1,894.72 to \$1,897.52, or \$2.80 or approximately 0.15%.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of the Company's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A 48:2-21 and for other good and legally sufficient reasons to any class or classes of customers of the Company. Therefore, the described charges may increase or decrease based upon the Board's decision.

Copies of the Company's filing are available for review at the Company's Customer Service Centers and at the Board of Public Utilities at Two Gateway Center, Newark, New Jersey 07102.

The following dates, times and locations for public hearings have been scheduled on the Company's filing so that members of the public may present their views.

Date 1, 2009	Date 2, 2009	Date 3, 2009
Time 1	Time 2	Time 3
Location 1	Location 2	Location 3
Location 1 Overflow	Location 2 Overflow	Location 3 Overflow
Room 1	Room 2	Room 3
Room 1 Overflow	Room 2 Overflow	Room 3 Overflow
Address 1	Address 2	Address 3
City 1, N.J. Zip 1	City 2, N.J. Zip 2	City 3, N.J. Zip 3

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings. Customers may file written comments with the Secretary of the Board

of Public Utilities at Two Gateway Center, Newark, New Jersey 07102 ATTN: Kristi Izzo whether or not they attend the public hearings.

**Table # 1**  
**RRC Charges**

	Economic Energy Efficiency Stimulus Program Component of the RRC		Total RRC	
	Present \$/kWhr (Incl SUT)	Proposed \$/kWhr (Incl SUT)	Present \$/kWhr (Incl SUT)	Proposed \$/kWhr (Incl SUT)
<b>RRC Electric - \$ per kWhr</b>	<b>\$0.000000</b>	<b>\$0.000355</b>	<b>\$0.000021</b>	<b>\$0.000377</b>
<b>RRC Gas - \$ per Therm</b>	<b>\$0.000000</b>	<b>\$0.002294</b>	<b>\$0.000384</b>	<b>\$0.002678</b>

**Table # 2**  
**Impact By Electric Customer Class**

PROPOSED PERCENTAGE INCREASES BY CUSTOMER CLASS FOR ELECTRIC SERVICE		
<b>BGS-FP</b>	<b>Rate Class</b>	<b>% Increase</b>
Residential	RS	0.19%
Residential Heating	RHS	0.22
Residential Load Management	RLM	0.21
General Lighting & Power	GLP	0.20
Large Power & Lighting - Secondary (Peak Load Share 0 – 749)	LPL-S	0.23
Large Power & Lighting - Secondary (Peak Load Share 750 – 999)	LPL-S	0.23
<b>BGS-CIEP</b>		
Large Power & Lighting - Secondary (Peak Load Share 1,000+)	LPL-S	0.22
Large Power & Lighting – Primary	LPL-P	0.23
High Tension – Subtransmission	HTS-S	0.25
High Tension - High Voltage	HTS-HV	0.26

The percent increases noted above are based upon current Delivery Rates and the applicable Basic Generation Service (BGS) charges and assumes that customers receive commodity service from Public Service Electric and Gas Company.



**PSE&G Energy Efficiency Economic Stimulus Program**  
**Budgets and Repayments - Electric**

(dollars)

**Projected Direct Program Costs**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><i>Projected Program Investments</i></b>										
Residential Whole House Efficiency		5,000,000	10,000,000							
Multi-Family Housing		5,000,000	10,000,000							
Small Business Direct Installation		6,000,000	12,000,000							
Municipal Direct Installation		10,500,000	21,000,000							
Hospital Efficiency		7,000,000	14,000,000							
Data Center Efficiency		3,200,000	6,400,000							
Building Commissioning/O&M		400,000	800,000							
Technology Demonstration		2,400,000	4,800,000							
Total Projected Program Investments		39,500,000	79,000,000	-	-	-	-	-	-	-

**Cumulative Total Projected Program Investments:** 118,500,000

***Capitalized IT Costs***

Residential Whole House Efficiency	271,085
Multi-Family Housing	271,084
Small Business Direct Installation	325,301
Municipal Direct Installation	569,277
Hospital Efficiency	379,518
Data Center Efficiency	173,494
Building Commissioning/O&M	21,687
Technology Demonstration	130,120
Total Capitalized Costs	2,141,566

**Cumulative Total Capitalized Costs:** 2,141,566

***Administrative Costs:***

Residential Whole House Efficiency	589,609	1,179,218	128,765
Multi-Family Housing	589,609	1,179,218	128,765
Small Business Direct Installation	707,531	1,415,061	154,518
Municipal Direct Installation	1,238,179	2,476,358	270,407
Hospital Efficiency	825,452	1,650,905	180,271
Data Center Efficiency	377,349	754,699	82,410
Building Commissioning/O&M	47,169	94,337	10,301
Technology Demonstration	283,012	566,024	61,808
Total Administrative Costs	4,657,910	9,315,820	1,017,245

**Cumulative Total Administrative Costs:** 14,990,975

***Program Investment Repayments:***

Residential Whole House Efficiency	64,491	812,582	1,322,058	580,416	6,449	-				
Multi-Family Housing	34,722	437,500	746,528	750,000	750,000	750,000	715,278	312,500	3,472	
Small Business Direct Installation	83,333	1,050,000	1,708,333	750,000	8,333	-	-	-	-	
Municipal Direct Installation	145,833	1,837,500	2,989,583	1,312,500	14,583	-	-	-	-	
Hospital Efficiency	41,667	525,000	895,833	858,333	375,000	4,167	-	-	-	
Data Center Efficiency	-	-	-	-	-	-	-	-	-	
Building Commissioning/O&M	-	-	-	-	-	-	-	-	-	
Technology Demonstration	-	-	-	-	-	-	-	-	-	
Total Program Investment Repayments	370,046	4,662,582	7,662,336	4,251,249	1,154,366	754,167	715,278	312,500	3,472	

**Cumulative Total Program Investment Repayments:** 19,885,996

**PSE&G Energy Efficiency Economic Stimulus Program**  
**Budgets and Repayments - Gas**

(dollars)

**Projected Direct Program Costs**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><i>Projected Program Investments</i></b>										
Residential Whole House Efficiency		3,333,333	6,666,667							
Multi-Family Housing		3,333,333	6,666,667							
Small Business Direct Installation		666,667	1,333,333							
Municipal Direct Installation		1,166,667	2,333,333							
Hospital Efficiency		4,666,667	9,333,333							
Data Center Efficiency		800,000	1,600,000							
Building Commissioning/O&M		266,667	533,333							
Technology Demonstration		1,600,000	3,200,000							
Total Projected Program Investments	-	15,833,333	31,666,667	-	-	-	-	-	-	-

**Cumulative Total Projected Program Investments:** 47,500,000

***Capitalized IT Costs***

Residential Whole House Efficiency	180,723
Multi-Family Housing	180,722
Small Business Direct Installation	36,145
Municipal Direct Installation	63,253
Hospital Efficiency	253,012
Data Center Efficiency	43,374
Building Commissioning/O&M	14,458
Technology Demonstration	86,747
Total Capitalized Costs	858,434

**Cumulative Total Capitalized Costs:** 858,434

***Administrative Costs:***

Residential Whole House Efficiency	393,073	786,145	85,843
Multi-Family Housing	393,073	786,145	85,843
Small Business Direct Installation	78,615	157,229	17,169
Municipal Direct Installation	137,576	275,151	30,045
Hospital Efficiency	550,302	1,100,603	120,181
Data Center Efficiency	94,338	188,675	20,602
Building Commissioning/O&M	31,446	62,892	6,868
Technology Demonstration	188,675	377,350	41,205
Total Administrative Costs	1,867,096	3,734,192	407,756

**Cumulative Total Administrative Costs:** 6,009,044

***Program Investment Repayments:***

Residential Whole House Efficiency	42,994	541,721	881,372	386,944	4,299	-	-	-	-
Multi-Family Housing	23,148	291,667	497,685	500,000	500,000	500,000	476,852	208,333	2,315
Small Business Direct Installation	9,259	116,667	189,815	83,333	926	-	-	-	-
Municipal Direct Installation	16,204	204,167	332,176	145,833	1,620	-	-	-	-
Hospital Efficiency	27,778	350,000	597,222	572,222	250,000	2,778	-	-	-
Data Center Efficiency	-	-	-	-	-	-	-	-	-
Building Commissioning/O&M	-	-	-	-	-	-	-	-	-
Technology Demonstration	-	-	-	-	-	-	-	-	-
Total Program Investment Repayments	119,383	1,504,221	2,498,270	1,688,333	756,846	502,778	476,852	208,333	2,315

**Cumulative Total Program Investment Repayments:** 7,757,331

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Program Costs by Year

PSE&G Electric - 2009

Program	Total Estimated EEE Stimulus Expenditures	Administration & Program Development	Sales, Call Centers, Marketing and Website	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Evaluation and Related Research
<b>RESIDENTIAL PROGRAMS</b>							
Residential Whole House Efficiency	\$5,589,609	\$277,199	\$255,181	\$57,229	\$4,518,073	\$481,928	\$0
Multi-Family Housing	\$5,589,609	\$277,199	\$255,181	\$57,229	\$4,518,073	\$481,928	\$0
<b>Sub-Total: Residential Programs</b>	<b>\$11,179,219</b>	<b>\$554,399</b>	<b>\$510,361</b>	<b>\$114,458</b>	<b>\$9,036,145</b>	<b>\$963,855</b>	<b>\$0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>							
Small Business Direct Install	\$6,707,531	\$332,639	\$306,217	\$68,675	\$5,421,687	\$578,313	\$0
Municipal Direct Install	\$11,738,179	\$582,119	\$535,880	\$120,181	\$9,487,952	\$1,012,048	\$0
Hospital Efficiency	\$7,825,453	\$388,079	\$357,253	\$80,120	\$6,325,302	\$674,699	\$0
Data Center Efficiency	\$3,577,349	\$177,407	\$163,316	\$36,626	\$2,891,566	\$308,434	\$0
Retro-Commissioning O&M	\$447,169	\$22,176	\$20,414	\$4,578	\$361,446	\$38,554	\$0
<b>Sub-Total: C&amp;I Programs</b>	<b>\$30,295,681</b>	<b>\$1,502,420</b>	<b>\$1,383,080</b>	<b>\$310,180</b>	<b>\$24,487,952</b>	<b>\$2,612,048</b>	<b>\$0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>							
Technology Demonstration Pilots	\$2,683,012	\$133,056	\$122,487	\$27,470	\$2,168,675	\$231,325	\$0
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>\$2,683,012</b>	<b>\$133,056</b>	<b>\$122,487</b>	<b>\$27,470</b>	<b>\$2,168,675</b>	<b>\$231,325</b>	<b>\$0</b>
<b>TOTAL Energy Efficiency Programs</b>	<b>\$44,157,911</b>	<b>\$2,189,874</b>	<b>\$2,015,928</b>	<b>\$452,108</b>	<b>\$35,692,772</b>	<b>\$3,807,229</b>	<b>\$0</b>

This schedule utilizes the NJCEP program reporting format to provide the estimated program costs required by RGGI Section II.h.

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Program Costs by Year

PSE&G Electric - 2010

Program	Total Estimated EEE Stimulus Expenditures	Administration & Program Development	Sales, Call Centers, Marketing and Website	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Evaluation and Related Research
<b>RESIDENTIAL PROGRAMS</b>							
Residential Whole House Efficiency	\$11,179,218	\$554,399	\$510,361	\$114,458	\$9,036,144	\$963,855	\$0
Multi-Family Housing	\$11,179,218	\$554,399	\$510,361	\$114,458	\$9,036,144	\$963,855	\$0
<b>Sub-Total: Residential Programs</b>	<b>\$22,358,435</b>	<b>\$1,108,797</b>	<b>\$1,020,723</b>	<b>\$228,916</b>	<b>\$18,072,289</b>	<b>\$1,927,711</b>	<b>\$0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>							
Small Business Direct Install	\$13,415,061	\$665,278	\$612,434	\$137,349	\$10,843,373	\$1,156,627	\$0
Municipal Direct Install	\$23,476,358	\$1,164,237	\$1,071,759	\$240,361	\$18,975,903	\$2,024,097	\$0
Hospital Efficiency	\$15,650,904	\$776,158	\$714,506	\$160,241	\$12,650,602	\$1,349,397	\$0
Data Center Efficiency	\$7,154,699	\$354,815	\$326,631	\$73,253	\$5,783,133	\$616,867	\$0
Retro-Commissioning O&M	\$894,337	\$44,352	\$40,829	\$9,157	\$722,891	\$77,109	\$0
<b>Sub-Total: C&amp;I Programs</b>	<b>\$60,591,359</b>	<b>\$3,004,840</b>	<b>\$2,766,159</b>	<b>\$620,361</b>	<b>\$48,975,903</b>	<b>\$5,224,097</b>	<b>\$0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>							
Technology Demonstration Pilots	\$5,366,024	\$266,111	\$244,973	\$54,939	\$4,337,349	\$462,651	\$0
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>\$5,366,024</b>	<b>\$266,111</b>	<b>\$244,973</b>	<b>\$54,939</b>	<b>\$4,337,349</b>	<b>\$462,651</b>	<b>\$0</b>
<b>TOTAL Energy Efficiency Programs</b>	<b>\$88,315,819</b>	<b>\$4,379,749</b>	<b>\$4,031,855</b>	<b>\$904,216</b>	<b>\$71,385,541</b>	<b>\$7,614,458</b>	<b>\$0</b>

This schedule utilizes the NJCEP program reporting format to provide the estimated program costs required by RGGI Section II.h.

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Program Costs by Year

PSE&G Electric - 2011

Program	Total Estimated EEE Stimulus Expenditures	Administration & Program Development	Sales, Call Centers, Marketing and Website	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Evaluation and Related Research
<b>RESIDENTIAL PROGRAMS</b>							
Residential Whole House Efficiency	\$128,765	\$0	\$0	\$0	\$0	\$0	\$128,765
Multi-Family Housing	\$128,765	\$0	\$0	\$0	\$0	\$0	\$128,765
<b>Sub-Total: Residential Programs</b>	<b>\$257,530</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$257,530</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>							
Small Business Direct Install	\$154,518	\$0	\$0	\$0	\$0	\$0	\$154,518
Municipal Direct Install	\$270,407	\$0	\$0	\$0	\$0	\$0	\$270,407
Hospital Efficiency	\$180,271	\$0	\$0	\$0	\$0	\$0	\$180,271
Data Center Efficiency	\$82,410	\$0	\$0	\$0	\$0	\$0	\$82,410
Retro-Commissioning O&M	\$10,301	\$0	\$0	\$0	\$0	\$0	\$10,301
<b>Sub-Total: C&amp;I Programs</b>	<b>\$697,907</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$697,907</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>							
Technology Demonstration Pilots	\$61,808	\$0	\$0	\$0	\$0	\$0	\$61,808
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>\$61,808</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,808</b>
<b>TOTAL Energy Efficiency Programs</b>	<b>\$1,017,245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,017,245</b>

This schedule utilizes the NJCEP program reporting format to provide the estimated program costs required by RGGI Section II.h.

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Program Costs by Year

PSE&G Gas - 2009

Program	Total Estimated Carbon Abatement Expenditures	Administration & Program Development	Sales, Call Centers, Marketing and Website	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Evaluation and Related Research
<b>RESIDENTIAL PROGRAMS</b>							
Residential Whole House Efficiency	\$3,726,406	\$184,800	\$170,120	\$38,153	\$3,012,048	\$321,285	\$0
Multi-Family Housing	\$3,726,406	\$184,800	\$170,120	\$38,153	\$3,012,048	\$321,285	\$0
<b>Sub-Total: Residential Programs</b>	<b>\$7,452,811</b>	<b>\$369,599</b>	<b>\$340,241</b>	<b>\$76,305</b>	<b>\$6,024,096</b>	<b>\$642,570</b>	<b>\$0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>							
Small Business Direct Install	\$745,281	\$36,960	\$34,024	\$7,631	\$602,410	\$64,257	\$0
Municipal Direct Install	\$1,304,242	\$64,680	\$59,542	\$13,353	\$1,054,217	\$112,450	\$0
Hospital Efficiency	\$5,216,968	\$258,719	\$238,169	\$53,414	\$4,216,867	\$449,799	\$0
Data Center Efficiency	\$894,338	\$44,352	\$40,829	\$9,157	\$722,892	\$77,108	\$0
Retro-Commissioning O&M	\$298,113	\$14,784	\$13,610	\$3,052	\$240,964	\$25,703	\$0
<b>Sub-Total: C&amp;I Programs</b>	<b>\$8,458,942</b>	<b>\$419,495</b>	<b>\$386,174</b>	<b>\$86,607</b>	<b>\$6,837,349</b>	<b>\$729,317</b>	<b>\$0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>							
Technology Demonstration Pilots	\$1,788,675	\$88,704	\$81,658	\$18,313	\$1,445,783	\$154,217	\$0
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>\$1,788,675</b>	<b>\$88,704</b>	<b>\$81,658</b>	<b>\$18,313</b>	<b>\$1,445,783</b>	<b>\$154,217</b>	<b>\$0</b>
<b>TOTAL Energy Efficiency Programs</b>	<b>\$17,700,428</b>	<b>\$877,798</b>	<b>\$808,072</b>	<b>\$181,225</b>	<b>\$14,307,228</b>	<b>\$1,526,104</b>	<b>\$0</b>

This schedule utilizes the NJCEP program reporting format to provide the estimated program cost data required by RGGI Section II.h.

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Program Costs by Year

PSE&G Gas - 2010

Program	Total Estimated Carbon Abatement Expenditures	Administration & Program Development	Sales, Call Centers, Marketing and Website	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Evaluation and Related Research
<b>RESIDENTIAL PROGRAMS</b>							
Residential Whole House Efficiency	\$7,452,812	\$369,600	\$340,241	\$76,305	\$6,024,096	\$642,570	\$0
Multi-Family Housing	\$7,452,812	\$369,600	\$340,241	\$76,305	\$6,024,096	\$642,570	\$0
<b>Sub-Total: Residential Programs</b>	<b>\$14,905,625</b>	<b>\$739,201</b>	<b>\$680,481</b>	<b>\$152,611</b>	<b>\$12,048,192</b>	<b>\$1,285,140</b>	<b>\$0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>							
Small Business Direct Install	\$1,490,563	\$73,920	\$68,048	\$15,261	\$1,204,819	\$128,514	\$0
Municipal Direct Install	\$2,608,485	\$129,361	\$119,085	\$26,707	\$2,108,433	\$224,899	\$0
Hospital Efficiency	\$10,433,937	\$517,440	\$476,337	\$106,827	\$8,433,734	\$899,599	\$0
Data Center Efficiency	\$1,788,675	\$88,704	\$81,658	\$18,313	\$1,445,783	\$154,217	\$0
Retro-Commissioning O&M	\$596,225	\$29,568	\$27,219	\$6,105	\$481,928	\$51,405	\$0
<b>Sub-Total: C&amp;I Programs</b>	<b>\$16,917,885</b>	<b>\$838,993</b>	<b>\$772,347</b>	<b>\$173,213</b>	<b>\$13,674,698</b>	<b>\$1,458,634</b>	<b>\$0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>							
Technology Demonstration Pilots	\$3,577,350	\$177,408	\$163,316	\$36,627	\$2,891,566	\$308,433	\$0
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>\$3,577,350</b>	<b>\$177,408</b>	<b>\$163,316</b>	<b>\$36,627</b>	<b>\$2,891,566</b>	<b>\$308,433</b>	<b>\$0</b>
<b>TOTAL Energy Efficiency Programs</b>	<b>\$35,400,860</b>	<b>\$1,755,602</b>	<b>\$1,616,145</b>	<b>\$362,451</b>	<b>\$28,614,456</b>	<b>\$3,052,207</b>	<b>\$0</b>

This schedule utilizes the NJCEP program reporting format to provide the estimated program cost data required by RGGI Section II.h.

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Program Costs by Year

PSE&G Gas - 2011

Program	Total Estimated Carbon Abatement Expenditures	Administration & Program Development	Sales, Call Centers, Marketing and Website	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Evaluation and Related Research
<b>RESIDENTIAL PROGRAMS</b>							
Residential Whole House Efficiency	\$85,843	\$0	\$0	\$0	\$0	\$0	\$85,843
Multi-Family Housing	\$85,843	\$0	\$0	\$0	\$0	\$0	\$85,843
<i>Sub-Total: Residential Programs</i>	<b>\$171,686</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$171,686</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>							
Small Business Direct Install	\$17,169	\$0	\$0	\$0	\$0	\$0	\$17,169
Municipal Direct Install	\$30,045	\$0	\$0	\$0	\$0	\$0	\$30,045
Hospital Efficiency	\$120,181	\$0	\$0	\$0	\$0	\$0	\$120,181
Data Center Efficiency		\$0	\$0	\$0	\$0	\$0	\$20,602
Retro-Commissioning O&M	\$6,868	\$0	\$0	\$0	\$0	\$0	\$6,868
<i>Sub-Total: C&amp;I Programs</i>	<b>\$194,865</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$194,865</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>							
Technology Demonstration Pilots	\$41,205	\$0	\$0	\$0	\$0	\$0	\$41,205
<i>Sub-Total: Technology Demonstration Pilots</i>	<b>\$41,205</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,205</b>
<b>TOTAL Energy Efficiency Programs</b>	<b>\$407,756</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$407,756</b>

This schedule utilizes the NJCEP program reporting format to provide the estimated program cost data required by RGGI Section II.h.

**PSE&G Energy Efficiency Economic Stimulus Program**  
**Estimated Participants**

**ATTACHMENT G REVISED**  
**PAGE 1 OF 1**

Program	Participants			
	2009	2010	2011	2012
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	2,485	4,971		
Multi-Family Housing	2,485	4,971		
<b><i>Sub-Total: Residential Programs</i></b>	<b>4,971</b>	<b>9,941</b>	<b>0</b>	<b>0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	855	1,709		
Municipal Direct Install	945	1,889		
Hospital Efficiency	10	21		
Data Center Efficiency	5	11		
Retro-Commissioning O&M	10	20		
<b><i>Sub-Total: C&amp;I Programs</i></b>	<b>1,825</b>	<b>3,650</b>	<b>0</b>	<b>0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	4	8		
<b><i>Sub-Total: Technology Demonstration Pilots</i></b>	<b>4</b>	<b>8</b>		
<b>TOTAL Energy Efficiency Programs</b>	<b>6,800</b>	<b>13,599</b>	<b>0</b>	<b>0</b>

PSE&G Energy Efficiency Economic Stimulus Program  
Overall Electric Energy Savings

Energy Savings - Electric MWh Program	Annual Savings				Lifetime Savings			
	2009	2010	2011	2012	2009	2010	2011	2012
<b>RESIDENTIAL PROGRAMS</b>								
Residential Whole House Efficiency	1,809	3,619			28,949	57,898		
Multi-Family Housing	1,809	3,619			28,949	57,898		
<b>Sub-Total: Residential Programs</b>	<b>3,619</b>	<b>7,237</b>	<b>0</b>	<b>0</b>	<b>57,898</b>	<b>115,797</b>	<b>0</b>	<b>0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>								
Small Business Direct Install	10,769	21,538			161,538	323,077		
Municipal Direct Install	14,879	29,757			223,178	446,356		
Hospital Efficiency	24,400	48,800			366,000	732,000		
Data Center Efficiency	12,800	25,600			192,000	384,000		
Retro-Commissioning O&M	1,600	3,200			24,000	48,000		
<b>Sub-Total: C&amp;I Programs</b>	<b>64,448</b>	<b>128,896</b>	<b>0</b>	<b>0</b>	<b>966,717</b>	<b>1,933,433</b>	<b>0</b>	<b>0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>								
Technology Demonstration Pilots	6,316	12,632			94,737	189,474		
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>6,316</b>	<b>12,632</b>	<b>0</b>	<b>0</b>	<b>94,737</b>	<b>189,474</b>	<b>0</b>	<b>0</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>74,382</b>	<b>148,764</b>	<b>0</b>	<b>0</b>	<b>1,119,352</b>	<b>2,238,704</b>	<b>0</b>	<b>0</b>

PSE&G Energy Efficiency Economic Stimulus Program  
Overall Electric Demand Savings

Energy Savings - Electric kW Program	Annual Savings			
	2009	2010	2011	2012
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency		883		
Multi-Family Housing		883		
<b>Sub-Total: Residential Programs</b>	<b>0</b>	<b>1,766</b>	<b>0</b>	<b>0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install		6,599		
Municipal Direct Install		9,117		
Hospital Efficiency		8,356		
Data Center Efficiency		4,384		
Retro-Commissioning O&M		548		
<b>Sub-Total: C&amp;I Programs</b>	<b>0</b>	<b>29,003</b>	<b>0</b>	<b>0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots		2,163		
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>0</b>	<b>2,163</b>	<b>0</b>	<b>0</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>0</b>	<b>32,932</b>	<b>0</b>	<b>0</b>

Energy Savings - Gas dTherms Program	Annual Savings				Lifetime Savings			
	2009	2010	2011	2012	2009	2010	2011	2012
<b>RESIDENTIAL PROGRAMS</b>								
Residential Whole House Efficiency	9,196	18,391			183,915	367,829		
Multi-Family Housing	9,196	18,391			183,915	367,829		
<b>Sub-Total: Residential Programs</b>	<b>18,391</b>	<b>36,783</b>	<b>0</b>	<b>0</b>	<b>367,829</b>	<b>735,659</b>	<b>0</b>	<b>0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>								
Small Business Direct Install	3,590	7,179			53,846	107,692		
Municipal Direct Instal	71,795	143,590			1,076,923	2,153,846		
Hospital Efficiency	249,489	498,978			3,742,331	7,484,663		
Data Center Efficiency	49,080	98,160			736,196	1,472,393		
Retro-Commissioning O&M	16,360	32,720			245,399	490,798		
<b>Sub-Total: C&amp;I Programs</b>	<b>390,313</b>	<b>780,626</b>	<b>0</b>	<b>0</b>	<b>5,854,696</b>	<b>11,709,391</b>	<b>0</b>	<b>0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>								
Technology Demonstration Pilots	64,000	128,000			960,000	1,920,000		
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>64,000</b>	<b>128,000</b>	<b>0</b>	<b>0</b>	<b>960,000</b>	<b>1,920,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>472,705</b>	<b>945,409</b>	<b>0</b>	<b>0</b>	<b>7,182,525</b>	<b>14,365,050</b>	<b>0</b>	<b>0</b>

PSE&G Energy Efficiency Economic Stimulus Program  
Participant Electric Energy Savings

Energy Savings - Electric MWh Program	Annual Savings				Lifetime Savings			
	2009	2010	2011	2012	2009	2010	2011	2012
<b>RESIDENTIAL PROGRAMS</b>								
Residential Whole House Efficiency	0.73	0.73			11.65	11.65		
Multi-Family Housing	0.73	0.73			11.65	11.65		
<b>Sub-Total: Residential Programs</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>23</b>	<b>0</b>	<b>0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>								
Small Business Direct Install	12.60	12.60			189.00	189.00		
Municipal Direct Install	15.75	15.75			236.25	236.25		
Hospital Efficiency	2,361.29	2,361.29			35,419.35	35,419.35		
Data Center Efficiency	2,400.00	2,400.00			36,000.00	36,000.00		
Retro-Commissioning O&M	163.08	163.08			2,446.20	2,446.20		
<b>Sub-Total: C&amp;I Programs</b>	<b>4,953</b>	<b>4,953</b>	<b>0</b>	<b>0</b>	<b>74,291</b>	<b>74,291</b>	<b>0</b>	<b>0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>								
Technology Demonstration Pilots	1,578.95	1,578.95			23,684.21	23,684.21		
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>1,579</b>	<b>1,579</b>	<b>0</b>	<b>0</b>	<b>23,684</b>	<b>23,684</b>	<b>0</b>	<b>0</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>6,533</b>	<b>6,533</b>	<b>0</b>	<b>0</b>	<b>97,998</b>	<b>97,998</b>	<b>0</b>	<b>0</b>

PSE&G Energy Efficiency Economic Stimulus Program  
Participant Electric Demand Savings

Energy Savings - Electric kW Program	Annual Savings			
	2009	2010	2011	2012
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency		0.12		
Multi-Family Housing		0.12		
<b>Sub-Total: Residential Programs</b>	<b>0.00</b>	<b>0.24</b>	<b>0</b>	<b>0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install		3		
Municipal Direct Install		3		
Hospital Efficiency		270		
Data Center Efficiency		274		
Retro-Commissioning O&M		19		
<b>Sub-Total: C&amp;I Programs</b>	<b>0</b>	<b>568</b>	<b>0</b>	<b>0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots		180		
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>0</b>	<b>180</b>	<b>0</b>	<b>0</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>0</b>	<b>748</b>	<b>0</b>	<b>0</b>

Energy Savings - Gas dTherms Program	Annual Savings				Lifetime Savings			
	2009	2010	2011	2012	2009	2010	2011	2012
<b>RESIDENTIAL PROGRAMS</b>								
Residential Whole House Efficiency	3.7	3.7			74	74		
Multi-Family Housing	3.7	3.7			74	74		
<b>Sub-Total: Residential Programs</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>148</b>	<b>148</b>	<b>0</b>	<b>0</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>								
Small Business Direct Install	48	48			720	720		
Municipal Direct Instal	76	76			1,140	1,140		
Hospital Efficiency	24,144	24,144			362,161	362,161		
Data Center Efficiency	9,202	9,202			138,037	138,037		
Retro-Commissioning O&M	1,667	1,667			25,012	25,012		
<b>Sub-Total: C&amp;I Programs</b>	<b>35,138</b>	<b>35,138</b>	<b>0</b>	<b>0</b>	<b>527,070</b>	<b>527,070</b>	<b>0</b>	<b>0</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>								
Technology Demonstration Pilots	16,000	16,000			240,000	240,000		
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>16,000</b>	<b>16,000</b>	<b>0</b>	<b>0</b>	<b>240,000</b>	<b>240,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>51,145</b>	<b>51,145</b>	<b>0</b>	<b>0</b>	<b>767,218</b>	<b>767,218</b>	<b>0</b>	<b>0</b>

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Annual Emissions Savings - Electric

Program Year: 2009  
 (Metric Tons)

Program	CO2	NOX	SO2	Hg
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	1,250.0775	2.3028	5.3457	0.0000
Multi-Family Housing	1,250.0775	2.3028	5.3457	0.0000
<b>Sub-Total: Residential Programs</b>	<b>2,500.1550</b>	<b>4.6055</b>	<b>10.6915</b>	<b>0.0001</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	7,440.5594	13.7063	31.8182	0.0002
Municipal Direct Install	10,279.7203	18.9363	43.9593	0.0002
Hospital Efficiency	16,858.1818	31.0545	72.0909	0.0004
Data Center Efficiency	8,843.6364	16.2909	37.8182	0.0002
Retro-Commissioning O&M	1,105.4545	2.0364	4.7273	0.0000
<b>Sub-Total: C&amp;I Programs</b>	<b>44,527.5524</b>	<b>82.0244</b>	<b>190.4139</b>	<b>0.0010</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	4,363.6364	8.0383	18.6603	0.0001
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>4,363.6364</b>	<b>8.0383</b>	<b>18.6603</b>	<b>0.0001</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>51,391.3438</b>	<b>94.6683</b>	<b>219.7656</b>	<b>0.0012</b>

This schedule utilizes the NJCEP program reporting format to provide the estimated emissions savings data required by RGGI Section II.I.

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Annual Emissions Savings - Electric

Program Year: 2010  
 (Metric Tons)

Program	CO2	NOX	SO2	Hg
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	2,500.1550	4.6055	10.6915	0.0001
Multi-Family Housing	2,500.1550	4.6055	10.6915	0.0001
<b>Sub-Total: Residential Programs</b>	<b>5,000.3099</b>	<b>9.2111</b>	<b>21.3829</b>	<b>0.0001</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	14,881.1189	27.4126	63.6364	0.0003
Municipal Direct Install	20,559.4406	37.8727	87.9187	0.0005
Hospital Efficiency	33,716.3636	62.1091	144.1818	0.0008
Data Center Efficiency	17,687.2727	32.5818	75.6364	0.0004
Retro-Commissioning O&M	2,210.9091	4.0727	9.4545	0.0001
<b>Sub-Total: C&amp;I Programs</b>	<b>89,055.1049</b>	<b>164.0489</b>	<b>380.8278</b>	<b>0.0021</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	8,727.2727	16.0766	37.3206	0.0002
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>8,727.2727</b>	<b>16.0766</b>	<b>37.3206</b>	<b>0.0002</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>102,782.6875</b>	<b>189.3365</b>	<b>439.5312</b>	<b>0.0024</b>

This schedule utilizes the NJCEP program reporting format to provide the estimated emissions savings data required by RGGI Section II.I.

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Lifetime Emissions Savings - Electric

ATTACHMENT 5I REVISED  
 PAGE 3 OF 12

Program Year: 2009  
 (Metric Tons)

Program	CO2	NOX	SO2	Hg
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	20,001.2397	36.8444	85.5316	0.0005
Multi-Family Housing	20,001.2397	36.8444	85.5316	0.0005
<b><i>SUB-TOTAL Residential Programs</i></b>	<b><i>40,002.4793</i></b>	<b><i>73.6888</i></b>	<b><i>171.0632</i></b>	<b><i>0.0009</i></b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	111,608.3916	205.5944	477.2727	0.0026
Municipal Direct Install	154,195.8042	284.0449	659.3900	0.0036
Hospital Efficiency	252,872.7273	465.8182	1,081.3636	0.0059
Data Center Efficiency	132,654.5455	244.3636	567.2727	0.0031
Retro-Commissioning O&M	16,581.8182	30.5455	70.9091	0.0004
<b><i>SUB-TOTAL C&amp;I Programs</i></b>	<b><i>667,913.2867</i></b>	<b><i>1,230.3666</i></b>	<b><i>2,856.2081</i></b>	<b><i>0.0156</i></b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	65,454.5455	120.5742	279.9043	0.0015
<b><i>Sub-Total: Technology Demonstration Pilots</i></b>	<b><i>65,454.5455</i></b>			
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b><i>707,915.7660</i></b>	<b><i>1,304.0554</i></b>	<b><i>3,027.2714</i></b>	<b><i>0.0166</i></b>

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Lifetime Emissions Savings - Electric

ATTACHMENT 5I REVISED  
 PAGE 4 OF 12

Program Year: 2010  
 (Metric Tons)

Program	CO2	NOX	SO2	Hg
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	40,002.4793	73.6888	171.0632	0.0009
Multi-Family Housing	40,002.4793	73.6888	171.0632	0.0009
<b><i>SUB-TOTAL Residential Programs</i></b>	<b><i>80,004.9586</i></b>	<b><i>147.3776</i></b>	<b><i>342.1265</i></b>	<b><i>0.0019</i></b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	223,216.7832	411.1888	954.5455	0.0052
Municipal Direct Install	308,391.6084	568.0898	1,318.7799	0.0072
Hospital Efficiency	505,745.4545	931.6364	2,162.7273	0.0118
Data Center Efficiency	265,309.0909	488.7273	1,134.5455	0.0062
Retro-Commissioning O&M	33,163.6364	61.0909	141.8182	0.0008
<b><i>SUB-TOTAL C&amp;I Programs</i></b>	<b><i>1,335,826.5734</i></b>	<b><i>2,460.7332</i></b>	<b><i>5,712.4163</i></b>	<b><i>0.0313</i></b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	130,909.0909	241.1483	559.8086	0.0031
<b><i>Sub-Total: Technology Demonstration Pilots</i></b>	<b><i>130,909.0909</i></b>	<b><i>241.1483</i></b>	<b><i>559.8086</i></b>	<b><i>0.0031</i></b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b><i>1,546,740.6230</i></b>	<b><i>2,849.2590</i></b>	<b><i>6,614.3513</i></b>	<b><i>0.0362</i></b>

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Annual and Lifetime Emissions Savings - Gas

Program Year: 2009  
 (Metric Tons)

Program	Annual Savings		Lifetime Savings	
	CO2	NOX	CO2	NOX
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	4.8905	0.0038	97.8092	0.0769
Multi-Family Housing	4.8905	0.0038	97.8092	0.0769
<b><i>SUB-TOTAL Residential Programs</i></b>	<b>9.7809</b>	<b>0.0077</b>	<b>195.6183</b>	<b>0.1538</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	1.9091	0.0015	28.6364	0.0225
Municipal Direct Install	38.1818	0.0300	572.7273	0.4503
Hospital Efficiency	132.6827	0.1043	1,990.2398	1.5650
Data Center Efficiency	26.1015	0.0205	391.5226	0.3079
Retro-Commissioning O&M	8.7005	0.0068	130.5075	0.1026
<b><i>SUB-TOTAL C&amp;I Programs</i></b>	<b>207.5756</b>	<b>0.1632</b>	<b>3,113.6336</b>	<b>2.4483</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	34.0364	0.0268	510.5455	0.4015
<b><i>Sub-Total: Technology Demonstration Pilots</i></b>	<b>34.0364</b>	<b>0.0268</b>	<b>510.5455</b>	<b>0.4015</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>251.3929</b>	<b>0.1977</b>	<b>3,819.7974</b>	<b>3.0036</b>

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Annual and Lifetime Emissions Savings - Gas

Program Year: 2010  
 (Metric Tons)

Program	Annual Savings		Lifetime Savings	
	CO2	NOX	CO2	NOX
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	9.7809	0.0077	195.6183	0.1538
Multi-Family Housing	9.7809	0.0077	195.6183	0.1538
<b><i>SUB-TOTAL Residential Programs</i></b>	<b>19.5618</b>	<b>0.0154</b>	<b>391.2367</b>	<b>0.3076</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	3.8182	0.0030	57.2727	0.0450
Municipal Direct Install	76.3636	0.0600	1,145.4545	0.9007
Hospital Efficiency	265.3653	0.2087	3,980.4796	3.1299
Data Center Efficiency	52.2030	0.0410	783.0452	0.6157
Retro-Commissioning O&M	17.4010	0.0137	261.0151	0.2052
<b><i>SUB-TOTAL C&amp;I Programs</i></b>	<b>415.1511</b>	<b>0.3264</b>	<b>6,227.2672</b>	<b>4.8967</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	68.0727	0.0535	1,021.0909	0.8029
<b><i>Sub-Total: Technology Demonstration Pilots</i></b>	<b>68.0727</b>	<b>0.0535</b>	<b>1,021.0909</b>	<b>0.8029</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>502.7857</b>	<b>0.3954</b>	<b>7,639.5947</b>	<b>6.0072</b>

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Per Participant Annual Emissions Savings - Electric

Program Year: 2009  
 (Metric Tons)

Program	CO2	NOX	SO2	Hg
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	0.5030	0.0009	0.0022	0.0000
Multi-Family Housing	0.5030	0.0009	0.0022	0.0000
<b>Sub-Total: Residential Programs</b>	<b>1.0060</b>	<b>0.0019</b>	<b>0.0043</b>	<b>0.0000</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	8.7055	0.0160	0.0372	0.0000
Municipal Direct Install	10.8818	0.0200	0.0465	0.0000
Hospital Efficiency	1,631.4370	3.0053	6.9765	0.0000
Data Center Efficiency	1,658.1818	3.0545	7.0909	0.0000
Retro-Commissioning O&M	112.6735	0.2076	0.4818	0.0000
<b>Sub-Total: C&amp;I Programs</b>	<b>3,421.8795</b>	<b>6.3035</b>	<b>14.6330</b>	<b>0.0001</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	1,090.9088	2.0096	4.6651	0.0000
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>1,090.9088</b>	<b>2.0096</b>	<b>4.6651</b>	<b>0.0000</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>4,513.7943</b>	<b>8.3149</b>	<b>19.3024</b>	<b>0.0001</b>

This schedule utilizes the NJCEP program reporting format to provide the estimated emissions savings data required by RGGI Section II.I.

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Per Participant Annual Emissions Savings - Electric

Program Year: 2010  
 (Metric Tons)

Program	CO2	NOX	SO2	Hg
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	0.5030	0.0009	0.0022	0.0000
Multi-Family Housing	0.5030	0.0009	0.0022	0.0000
<b>Sub-Total: Residential Programs</b>	<b>1.0060</b>	<b>0.0019</b>	<b>0.0043</b>	<b>0.0000</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	8.7055	0.0160	0.0372	0.0000
Municipal Direct Install	10.8818	0.0200	0.0465	0.0000
Hospital Efficiency	1,631.4370	3.0053	6.9765	0.0000
Data Center Efficiency	1,658.1818	3.0545	7.0909	0.0000
Retro-Commissioning O&M	112.6735	0.2076	0.4818	0.0000
<b>Sub-Total: C&amp;I Programs</b>	<b>3,421.8795</b>	<b>6.3035</b>	<b>14.6330</b>	<b>0.0001</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	1,090.9088	2.0096	4.6651	0.0000
<b>Sub-Total: Technology Demonstration Pilots</b>	<b>1,090.9088</b>	<b>2.0096</b>	<b>4.6651</b>	<b>0.0000</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>4,513.7943</b>	<b>8.3149</b>	<b>19.3024</b>	<b>0.0001</b>

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Per Participant Lifetime Emissions Savings - Electric

Program Year: 2009  
 (Metric Tons)

Program	CO2	NOX	SO2	Hg
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	8.0477	0.0148	0.0344	0.0000
Multi-Family Housing	8.0477	0.0148	0.0344	0.0000
<b><i>SUB-TOTAL Residential Programs</i></b>	<b>16.0954</b>	<b>0.0296</b>	<b>0.0688</b>	<b>0.0000</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	130.5818	0.2405	0.5584	0.0000
Municipal Direct Install	163.2273	0.3007	0.6980	0.0000
Hospital Efficiency	24,471.5543	45.0792	104.6481	0.0006
Data Center Efficiency	24,872.7273	45.8182	106.3636	0.0006
Retro-Commissioning O&M	1,690.1018	3.1133	7.2274	0.0000
<b><i>SUB-TOTAL C&amp;I Programs</i></b>	<b>51,328.1924</b>	<b>94.5519</b>	<b>219.4956</b>	<b>0.0012</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	16,363.6325	30.1435	69.9761	0.0004
<b><i>Sub-Total: Technology Demonstration Pilots</i></b>	<b>16,363.6325</b>	<b>30.1435</b>	<b>69.9761</b>	<b>0.0004</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>67,707.9204</b>	<b>124.7251</b>	<b>289.5404</b>	<b>0.0016</b>

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Per Participant Lifetime Emissions Savings - Electric

Program Year: 2010  
 (Metric Tons)

Program	CO2	NOX	SO2	Hg
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	8.0477	0.0148	0.0344	0.0000
Multi-Family Housing	8.0477	0.0148	0.0344	0.0000
<b><i>SUB-TOTAL Residential Programs</i></b>	<b>16.0954</b>	<b>0.0296</b>	<b>0.0688</b>	<b>0.0000</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	130.5818	0.2405	0.5584	0.0000
Municipal Direct Install	163.2273	0.3007	0.6980	0.0000
Hospital Efficiency	24,471.5543	45.0792	104.6481	0.0006
Data Center Efficiency	24,872.7273	45.8182	106.3636	0.0006
Retro-Commissioning O&M	1,690.1018	3.1133	7.2274	0.0000
<b><i>SUB-TOTAL C&amp;I Programs</i></b>	<b>51,328.1924</b>	<b>94.5519</b>	<b>219.4956</b>	<b>0.0012</b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	16,363.6325	30.1435	69.9761	0.0004
<b><i>Sub-Total: Technology Demonstration Pilots</i></b>	<b>16,363.6325</b>	<b>30.1435</b>	<b>69.9761</b>	<b>0.0004</b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b>67,707.9204</b>	<b>124.7251</b>	<b>289.5404</b>	<b>0.0016</b>

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Per Participant Emissions Savings - Gas

Program Year: 2009  
 (Metric Tons)

Program	Annual Savings		Lifetime Savings	
	CO2	NOX	CO2	NOX
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	0.0020	0.0000	0.0394	0.0000
Multi-Family Housing	0.0020	0.0000	0.0394	0.0000
<b><i>SUB-TOTAL Residential Programs</i></b>	<b><i>0.0039</i></b>	<b><i>0.0000</i></b>	<b><i>0.0787</i></b>	<b><i>0.0001</i></b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	0.0255	0.0000	0.3829	0.0003
Municipal Direct Install	0.0404	0.0000	0.6063	0.0005
Hospital Efficiency	12.8403	0.0101	192.6039	0.1514
Data Center Efficiency	4.8940	0.0038	73.4105	0.0577
Retro-Commissioning O&M	0.8868	0.0007	13.3020	0.0105
<b><i>SUB-TOTAL C&amp;I Programs</i></b>	<b><i>18.6870</i></b>	<b><i>0.0147</i></b>	<b><i>280.3055</i></b>	<b><i>0.2204</i></b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	8.5091	0.0067	127.6364	0.1004
<b><i>Sub-Total: Technology Demonstration Pilots</i></b>	<b><i>8.5091</i></b>	<b><i>0.0067</i></b>	<b><i>127.6364</i></b>	<b><i>0.1004</i></b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b><i>27.2001</i></b>	<b><i>0.0214</i></b>	<b><i>408.0206</i></b>	<b><i>0.3208</i></b>

PSE&G Energy Efficiency Economic Stimulus Program  
 Estimated Per Participant Emissions Savings - Gas

Program Year: 2010  
 (Metric Tons)

Program	Annual Savings		Lifetime Savings	
	CO2	NOX	CO2	NOX
<b>RESIDENTIAL PROGRAMS</b>				
Residential Whole House Efficiency	0.0020	0.0000	0.0394	0.0000
Multi-Family Housing	0.0020	0.0000	0.0394	0.0000
<b><i>SUB-TOTAL Residential Programs</i></b>	<b><i>0.0039</i></b>	<b><i>0.0000</i></b>	<b><i>0.0787</i></b>	<b><i>0.0001</i></b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small Business Direct Install	0.0255	0.0000	0.3829	0.0003
Municipal Direct Install	0.0404	0.0000	0.6063	0.0005
Hospital Efficiency	12.8403	0.0101	192.6039	0.1514
Data Center Efficiency	4.8940	0.0038	73.4105	0.0577
Retro-Commissioning O&M	0.8868	0.0007	13.3020	0.0105
<b><i>SUB-TOTAL C&amp;I Programs</i></b>	<b><i>18.6870</i></b>	<b><i>0.0147</i></b>	<b><i>280.3055</i></b>	<b><i>0.2204</i></b>
<b>TECHNOLOGY DEMONSTRATION PILOTS</b>				
Technology Demonstration Pilots	8.5091	0.0067	127.6364	0.1004
<b><i>Sub-Total: Technology Demonstration Pilots</i></b>	<b><i>8.5091</i></b>	<b><i>0.0067</i></b>	<b><i>127.6364</i></b>	<b><i>0.1004</i></b>
<b>TOTAL PSE&amp;G EEE Stimulus Program</b>	<b><i>27.2001</i></b>	<b><i>0.0214</i></b>	<b><i>408.0206</i></b>	<b><i>0.3208</i></b>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET

	<u>Dec.31, 2005</u>	<u>Dec.31, 2006</u>	<u>Dec.31, 2007</u>
	(THOUSANDS)		
Assets and Other Debits			
Utility Plant			
Electric Utility Plant			
101 Electric Utility Plant in Service	6,446,220	6,707,986	7,085,555
103 Electric Experimental Plant Unclassified	0	0	0
105 Electric Utility Plant Held for Future Use	26,858	26,376	8,165
107 Electric Construction Work in Progress	<u>44,794</u>	<u>57,049</u>	<u>24,684</u>
Total Electric Utility Plant	6,517,872	6,791,411	7,118,404
Gas Utility Plant			
101 Gas Utility Plant in Service	3,976,672	4,167,457	4,322,406
103 Gas Experimental Plant Unclassified	0	0	0
105 Gas Utility Plant Held for Future Use	0	0	0
107 Gas Construction Work in Progress	<u>13,363</u>	<u>509</u>	<u>1,601</u>
Total Gas Utility Plant	3,990,035	4,167,966	4,324,007
Common Utility Plant			
101 Common Utility Plant in Service	188,085	160,152	82,327
107 Common Construction Work in Progress	<u>0</u>	<u>0</u>	<u>27,521</u>
Total Common Utility Plant	<u>188,085</u>	<u>160,152</u>	<u>109,848</u>
Total Utility Plant	10,695,992	11,119,529	11,552,259
Accumulated Provisions for Depreciation and Amortization			
Electric Utility Plant			
108 & 111 Electric Utility Plant in Service	(2,158,680)	(2,261,775)	(2,374,881)
Gas Utility Plant			
108 & 111 Gas Utility Plant in Service	(1,727,049)	(1,739,553)	(1,788,393)
Common Utility Plant			
108 & 111 Common Utility Plant in Service	(147,156)	(128,968)	(54,808)
Total Accumulated Provisions for Depreciation and Amortization of Utility Plant	<u>(4,032,885)</u>	<u>(4,130,296)</u>	<u>(4,218,082)</u>
Net Utility Plant Excluding Nuclear Fuel	6,663,107	6,989,233	7,334,177
Nuclear Fuel			
120.1 In Process	0	0	0
120.2 Materials and Assemblies Stock	0	0	0
120.3 In Reactor	0	0	0
120.4 Spent	0	0	0
Accumulated Provisions for Amortization			
120.5 Nuclear Fuel	0	0	0
Net Nuclear Fuel	<u>0</u>	<u>0</u>	<u>0</u>
Net Utility Plant	<u>6,663,107</u>	<u>6,989,233</u>	<u>7,334,177</u>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET

	<u>Dec.31, 2005</u>	<u>Dec.31, 2006</u>	<u>Dec.31, 2007</u>
	(THOUSANDS)		
Assets and Other Debits (Continued)			
Other Property and Investments			
121 Nonutility Property	2,894	2,857	2,857
122 Accumulated Provision for Depreciation and Amortization of Nonutility Property	(309)	(330)	(357)
123.1 Investment in Subsidiary Companies	56,057	55,679	56,726
124 Other Investments	135,672	141,587	145,984
125-8 Special Funds	<u>315,156</u>	<u>53,293</u>	<u>57,103</u>
Total Other Property and Investments	509,470	253,087	262,313
Current and Accrued Assets			
131 Cash	28,081	26,691	29,475
132-4 Special Deposits	806	279	178
135 Working Funds	0	0	0
136 Temporary Cash Investments	129,282	0	0
141-3 Notes and Accounts Receivable	998,644	850,070	1,039,546
144 Accumulated Provision for Uncollectible Accounts - Credit	(41,412)	(46,404)	(44,985)
145-6 Receivables from Associated Companies	105,019	98,866	85,410
151-5 Materials and Supplies (incl. 163)	48,673	49,604	53,277
158 Allowances	0	0	0
164 Gas Stored Underground - Current	0	0	0
165 Prepayments	48,959	14,009	57,170
171 Interest and Dividends Receivable	0	220	4,561
172 Rents Receivable	1,305	1,542	529
173 Accrued Utility Revenues	393,990	327,755	353,031
174 Miscellaneous Current and Accrued			
176 (Less) Long-Term Debt Portion of Derivative Instrument	0	2,430	0
Derivative Instrument Assests-Hedges			842
Total Current and Accrued Assets	1,713,347	1,325,061	1,579,034
Deferred Debits			
181 Unamortized Debt Expense	20,135	20,627	21,930
182 Unrec'd Plt and Reg Costs and Other Reg Assets	3,160,219	3,936,719	3,577,221
183 Preliminary Survey and Investigation Charges	0	0	76
184 Clearing Accounts	0	0	0
185 Temporary Facilities	0	0	0
186 Miscellaneous Deferred Debits	27,023	25,870	20,707
188 Research and Development Expenditures	0	0	0
189 Unamortized Loss on Reacquired Debt	91,057	84,689	79,689
190 Accumulated Deferred Income Taxes	<u>466,726</u>	<u>467,102</u>	<u>477,592</u>
Total Deferred Debits	<u>3,765,160</u>	<u>4,535,007</u>	<u>4,177,215</u>
Total Assets and Other Debits	<u>\$12,651,084</u>	<u>\$13,102,387</u>	<u>\$13,352,739</u>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET

	<u>Dec.31, 2005</u>	<u>Dec.31, 2006</u>	<u>Dec.31, 2007</u>
	(THOUSANDS)		
Liabilities and Other Credits			
Proprietary Capital			
201 Common Stock Issued	892,260	892,260	892,260
204 Preferred Stock Issued	79,523	79,523	79,523
207 Premium on Capital Stock	132	132	132
208 Donations from Stockholders	1,155,937	1,155,937	1,155,937
210 Gain on Resale or Cancellation of Reacquired Capital Stock	0	0	0
211 Miscellaneous Paid-In Capital	0	0	0
215 Appropriated Retained Earnings	0	0	0
216 Unappropriated Retained Earnings	1,004,707	1,064,553	1,239,624
219 Other Comprehensive Income	<u>(4,666)</u>	<u>852</u>	2,499
Total Proprietary Capital	3,127,893	3,193,258	3,369,975
Long-Term Debt			
221 Bonds	3,192,593	3,120,168	3,357,231
223 Advances from Assoc. Co.	0	0	0
225 Unamortized Premium on Long-Term Debt	3,172	2,989	2,805
226 Unamortized Discount on Long-Term Debt	<u>(7,224)</u>	<u>(7,493)</u>	<u>(7,519)</u>
Total Long-Term Debt	3,188,541	3,115,664	3,352,517
Other Non-Current Liabilities			
227-9 Other Non-current Liabilities	573,698	1,055,469	<u>920,685</u>
Long-Term Portion of Derivative Instrument Liabilities-Hedges	0	16,574	35,245
230 Asset Retirement Obligation	<u>209,927</u>	<u>220,825</u>	<u>231,269</u>
Total Other Non-Current Liabilities	783,625	1,292,868	1,187,199
Current and Accrued Liabilities			
231 Notes Payable	0	30,514	64,858
232 Accounts Payable	104,056	100,932	131,479
233-4 Payables to Associated Companies	453,112	707,124	615,594
235 Customer Deposits	45,758	56,319	71,830
236 Taxes Accrued	27,201	3,867	29,349
237 Interest Accrued	51,762	49,790	68,294
238 Dividends Declared	0	0	0
239 Matured Long-Term Debt	17	0	0
241 Tax Collections Payable	576	2,653	1,018
242 Miscellaneous Current and Accrued Liabilities	539,685	457,253	483,986
243 Obligations Under Capital leases	0	0	0
245 Derivative Instrument Liabilities - Hedges	11,461	20,491	53,447
Long-Term Portion of Derivative Instrument Liabilities-Hedges	0	<u>(16,574)</u>	<u>(35,245)</u>
Total Current and Accrued Liabilities	1,233,628	1,412,369	1,484,610
Deferred Credits			
252 Customer Advances for Construction	1,809	11,412	10,086
253 Other Deferred Credits	606,015	507,673	656,451
254 Other Regulatory Liabilities	661,645	616,852	391,213
255 Accumulated Deferred Investment Tax Credits	47,425	44,405	41,427
281-3 Accumulated Deferred Income Taxes	<u>3,000,503</u>	<u>2,907,886</u>	<u>2,859,261</u>
Total Deferred Credits	<u>4,317,397</u>	<u>4,088,229</u>	<u>3,958,438</u>
Total Liabilities and Other Credits	<u>\$12,651,084</u>	<u>\$13,102,387</u>	<u>\$13,352,739</u>

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**ELECTRIC INCOME ACCOUNT**

	<u>Year 2005 *</u>	<u>Year 2006 *</u> (Thousands)	<u>Year 2007 *</u>
Utility Operating Income			
400 Electric Operating Revenues	(4,104,060)	(4,325,458)	(5,005,404)
Electric Operating Expenses:			
401 Operation Expense	3,203,252	3,441,054	4,058,762
402 Maintenance Expense	101,674	115,211	105,329
403 Depreciation Expense	140,156	139,534	143,904
404 Amortization of Limited Term Plant	13,081	10,324	4,321
407 Amortization of Property Losses	80,096	154,714	153,999
408.1 Taxes Other Than Income Taxes	117,217	113,606	116,129
409.1 Income Taxes - Federal	186,099	195,287	169,621
410.1 Provision for Deferred Income Taxes	38,351	(12,180)	94,993
411.1 Provision for Deferred Income Taxes - Credit	(94,905)	(104,823)	(147,055)
411.103 Accretion Expense-Electric		26	2
411.4 Investment Tax Credit Adjustments (Net)	(686)	(1,067)	(1,026)
Total Electric Utility Operating Expenses	<u>3,784,336</u>	<u>4,051,687</u>	<u>4,698,979</u>
Electric Utility Operating Income	<u>(319,724)</u>	<u>(273,771)</u>	<u>(306,425)</u>

\* Electric Distribution only

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

GAS INCOME ACCOUNT

	<u>Year 2005</u>	<u>Year 2006</u> (Thousands)	<u>Year 2007</u>
400 Gas Operating Revenues	(2,976,901)	(2,794,935)	(3,027,323)
Gas Operating Expenses:			
401 Operation Expense	2,540,333	2,432,174	2,566,508
402 Maintenance Expense	24,600	25,210	29,865
403 Depreciation Expense	119,364	115,225	87,289
404 Amortization of Limited Term Plant	5,460	4,852	2,777
407 Amortization of Property Losses	20,781	18,298	17,897
407.4 Amortization of Excess cost of removal	0	(1,907)	(13,200)
408.1 Taxes Other Than Income Taxes	59,987	54,434	60,025
409.1 Income Taxes - Federal	43,865	32,225	47,307
410.1 Provision for Deferred Income Taxes	50,517	41,698	56,675
411.1 Provision for Deferred Income Taxes - Credit	(31,519)	(24,553)	(23,418)
411.4 Investment Tax Credit Adjustments (Net)	<u>(1,357)</u>	<u>(1,348)</u>	<u>(1,348)</u>
Total Gas Utility Operating Expenses	<u>2,832,031</u>	<u>2,696,309</u>	<u>2,830,377</u>
Gas Utility Operating Income	<u>(144,870)</u>	<u>(98,625)</u>	<u>(196,946)</u>

**ATTACHMENT 6C**

**Page 1 of 3**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**BALANCE SHEET**

November 30, 2008  
(THOUSANDS)

Assets and Other Debits

Utility Plant

Electric Utility Plant

101	Electric Utility Plant in Service	7,452,000
103	Electric Experimental Plant Unclassified	0
105	Electric Utility Plant Held for Future Use	8,414
107	Electric Construction Work in Progress	<u>63,424</u>
	Total Electric Utility Plant	7,523,838

Gas Utility Plant

101	Gas Utility Plant in Service	4,511,251
103	Gas Experimental Plant Unclassified	0
105	Gas Utility Plant Held for Future Use	0
107	Gas Construction Work in Progress	<u>5,771</u>
	Total Gas Utility Plant	4,517,022

Common Utility Plant

101	Common Utility Plant in Service	83,799
107	Common Construction Work in Progress	<u>74,038</u>
	Total Common Utility Plant	<u>157,837</u>
	Total Utility Plant	12,198,697

Accumulated Provisions for Depreciation and Amortization

Electric Utility Plant

108 & 111	Electric Utility Plant in Service	(2,494,329)
108.5	Electric Utility Plant Held for Future Use	
	Total Electric Utility Plant	(2,494,329)

Gas Utility Plant

108 & 111	Gas Utility Plant in Service	(1,848,713)
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Common Utility Plant

108 & 111	Common Utility Plant in Service	(53,919)
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Total Accumulated Provisions for  
Depreciation and Amortization  
of Utility Plant

(4,396,961)

Net Utility Plant Excluding Nuclear Fuel

7,801,736

Nuclear Fuel

120.1	In Process	0
120.2	Materials and Assemblies Stock	0
120.3	In Reactor	0
120.4	Spent	0

Accumulated Provisions for Amortization

120.5	Nuclear Fuel	0
	Net Nuclear Fuel	<u>0</u>
	Net Utility Plant	<u>7,801,736</u>

**ATTACHMENT 6C**  
**Page 2 of 3**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**BALANCE SHEET**

November 30, 2008  
(THOUSANDS)

Assets and Other Debits (Continued)

Other Property and Investments

121 Nonutility Property	2,857
122 Accumulated Provision for Depreciation and Amortization of Nonutility Property	(381)
123.1 Investment in Subsidiary Companies	56,666
124 Other Investments	150,368
125-8 Special Funds	<u>45,084</u>
Total Other Property and Investments	254,594

Current and Accrued Assets

131 Cash	4,051
132-4 Special Deposits	700
135 Working Funds	
136 Temporary Cash Investments	
141-3 Notes and Accounts Receivable	894,260
144 Accumulated Provision for Uncollectible Accounts - Credit	(52,012)
145-6 Receivables from Associated Companies	113,527
151-5 Materials and Supplies (incl. 163)	61,863
158 Allowances	0
164 Gas Stored Underground - Current	0
165 Prepayments	113,974
171 Interest and Dividends Receivable	42,614
172 Rents Receivable	2,128
173 Accrued Utility Revenues	403,545
174 Miscellaneous Current and Accrued	
176 (Less) Long-Term Debt Portion of Derivative Instrument	524
Derivative Instrument Assets-Hedges	
Total Current and Accrued Assets	1,585,174

Deferred Debits

181 Unamortized Debt Expense	14,942
182 Unrec'd Plt and Reg Costs and Other Reg Assets	4,253,182
183 Preliminary Survey and Investigation Charges	342
184 Clearing Accounts	738
185 Temporary Facilities	
186 Miscellaneous Deferred Debits	18,734
188 Research and Development Expenditures	
189 Unamortized Loss on Reacquired Debt	112,711
190 Accumulated Deferred Income Taxes	<u>459,514</u>
Total Deferred Debits	<u>4,860,163</u>
Total Assets and Other Debits	<u>\$14,501,667</u>

**ATTACHMENT 6C**

**Page 3 of 3**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**BALANCE SHEET**

November 30, 2008  
(THOUSANDS)

Liabilities and Other Credits

Proprietary Capital

201	Common Stock Issued	(892,260)
204	Preferred Stock Issued	(79,523)
207	Premium on Capital Stock	(132)
208	Donations from Stockholders	(1,155,937)
210	Gain on Resale or Cancellation of Reacquired Capital Stock	
211	Miscellaneous Paid-In Capital	
215	Appropriated Retained Earnings	
216	Unappropriated Retained Earnings	(1,566,245)
219	Other Comprehensive Income	(978)
	Total Proprietary Capital	(3,695,076)

Long-Term Debt

221	Bonds	(3,255,726)
223	Advances from Assoc. Co.	
225	Unamortized Premium on Long-Term Debt	
226	Unamortized Discount on Long-Term Debt	<u>6,988</u>
	Total Long-Term Debt	(3,248,738)

Other Non-Current Liabilities

227-9	Other Non-current Liabilities	(872,958)
	Long-Term Portion of Derivative Instrument Liabilities-Hedges	
230	Asset Retirement Obligation	(241,108)
	Total Other Non-Current Liabilities	(1,114,066)

Current and Accrued Liabilities

231	Notes Payable	(311,848)
232	Accounts Payable	(131,277)
233-4	Payables to Associated Companies	(639,360)
235	Customer Deposits	(81,715)
236	Taxes Accrued	(1,891)
237	Interest Accrued	(66,537)
238	Dividends Declared	0
239	Matured Long-Term Debt	0
241	Tax Collections Payable	(442)
242	Miscellaneous Current and Accrued Liabilities	(465,284)
243	Obligations Under Capital leases	
245	Derivative Instrument Liabilities - Hedges	<u>(81,864)</u>
	Long-Term Portion of Derivative Instrument Liabilities-Hedges	
	Total Current and Accrued Liabilities	(1,780,218)

Deferred Credits

252	Customer Advances for Construction	(9,706)
253	Other Deferred Credits	(1,313,095)
254	Other Regulatory Liabilities	(352,955)
255	Accumulated Deferred Investment Tax Credits	(39,163)
281-3	Accumulated Deferred Income Taxes	<u>(2,948,650)</u>
	Total Deferred Credits	<u>(4,663,569)</u>
	Total Liabilities and Other Credits	<u>(\$14,501,667)</u>

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**ELECTRIC REVENUE BY CLASS OF BUSINESS**  
**12 MONTHS ENDING DECEMBER 31, 2007**

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(Thousands)

Residential	\$1,904,724
Commercial	2,417,810
Industrial	317,379
Public Street & Highway Lighting	70,859
Interdepartmental Revenues	1,783
Sales for Resale	277,487
Forfeited Discounts	6,842
Miscellaneous Service Revenues	1,878
Rent from Electric Property	2,469
Other Electric Revenues	<u>4,172</u>
Total Revenue from Electric Distribution Sales	5,005,403

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**GAS REVENUE BY CLASS OF BUSINESS**  
**12 MONTHS ENDING DECEMBER 31, 2007**

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(Thousands)

Residential	\$1,949,378
Commercial	789,402
Industrial	117,831
Street & Yard Light Service	936
Cogeneration	129,348
Interdepartmental Revenues	1,365
Forfeited Discounts	1,190
Miscellaneous Service Revenues	33,955
Other Gas Revenues	<u>3,919</u>
Total Revenue from Gas Distribution Sales	3,027,323

**ATTACHMENT 6E**

**Public Service Electric & Gas Company**  
**Total Utility Payments or Accruals to Affiliates**

(\$ THOUSANDS) Net Billing

	<b>2007</b>	<b>2006</b>	<b>2005</b>
PSEG Services	\$ 477,726	\$ 433,544	\$ 425,633
PSEG Power	\$ 3,344,032	\$ 2,758,103	\$ 2,611,805
PSEG Energy Holdings	\$ (342)	\$ (359)	\$ (267)
PSEG Enterprise	\$ (51,746)	\$ (63,597)	\$ (80,303)
Total Payments to Affiliates	<u>\$ 3,769,670</u>	<u>\$ 3,127,691</u>	<u>\$ 2,956,868</u>

**PSE&G Economic Energy Efficiency Stimulus Program  
Accounting Entries**

<u>Entry</u>	<u>Acct.</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
R1		To record capitalized IT per PSE&G capitalization policy.		
	303	Capitalized IT	XXX	
	131	Cash		XXX
R2		To amortize IT costs over appropriate book life.		
	404	Amortization Expense	XXX	
	111	Accumulated Amortization		XXX
R3		To defer direct program expenditures.		
	182	Program Investment Regulatory Asset	XXX	
	131	Cash		XXX
R4		To amortize direct program expenditures over 10 years.		
	908	Customer Assistance Expenses	XXX	
	182	Program Investment Regulatory Asset		XXX
R5		To record incremental admin. costs.		
	908	Customer Assistance Expenses	XXX	
	131	Cash		XXX
R6		To record expenditure reimbursements or repayments		
	131	Cash	XXX	
	908	Customer Assistance Expenses		XXX
R7		To record the monthly Economic Energy Efficiency Stimulus Component (EEESC) revenues.		
	142	Customer Accounts Receivable	XXX	
	400	Operating Revenues		XXX
R8		To record any over/ under recovery.		
	182	Regulatory Asset - EEESC	XXX	
	908	Customer Assistance Expenses	XXX	XXX
	254	Regulatory Liabilities		XXX
R9		To record cost of capital on any over/ under recovered balance.		
	182	Regulatory Asset - EEESC	XXX	
	419	Other Income	XXX	XXX
	431	Interest Expense	XXX	XXX
	254	Regulatory Liabilities		XXX



1 C ER CEE EC R C C  
 2 EC CE ER E CE C R R  
 3 E E C REC ER R E C  
 4

5 C E

6 The purpose of this Supplemental Filing is to support the Company’s  
 7 proposed methodology for recovery of the costs related to PSE&G’s Economic  
 8 Energy Efficiency Stimulus Program (EEE Stimulus Program), including projected  
 9 bill impacts. This Supplemental Filing provides details of the proposed calculations  
 10 and recovery mechanisms.

11

12 C REC ER EC

13 General

14 PSE&G is proposing to recover the revenue requirements associated  
 15 with the Direct Costs of the EEE Stimulus Program and Lost Distribution Margin  
 16 Revenues (Lost Revenues). Direct Costs include the EEE Stimulus Program  
 17 Investments, Capitalized IT Costs and the Administrative Costs of running the EEE  
 18 Stimulus Program, including labor and other costs. Lost Revenues are the margin  
 19 producing distribution revenues not collected due to the reduction in electric and gas  
 20 sales as a result of the implementation of this EEE Stimulus Program.

- 2 -

1 PSE&G is proposing that the Board authorize the recovery of the  
 2 revenue requirements in accordance with the Regional Greenhouse Gas Initiative  
 3 (RGGI) legislation, *N.J.S.A.* 48:3-98.1 et seq.

4 The details of the costs proposed to be recovered, as well as the  
 5 mechanism for such recovery, are detailed in the following sections of this  
 6 Supplemental Filing.

7

#### 8 Calculation of the Revenue Requirements

9 The EEE Stimulus Program Investments are proposed to be treated as a  
 10 regulatory asset, and amortized over ten years as described below. The revenue  
 11 requirements associated with the Direct Costs of the EEE Stimulus Program would be  
 12 expressed as:

13 *Revenue Re uirements Cost of Capital Net Investment Amortization*  
 14 *Administrative Costs Program Investment Repayments Lost Revenues*

15 The details of each of the above terms are described as follows:

16 1. Cost of Capital – This is PSE&G’s overall weighted average cost of  
 17 capital (WACC). The existing regulatory WACCs applied to the Company’s electric  
 18 and gas operations were established in 2003 and 2006, respectively. Since the third  
 19 quarter of 2008, there has been extreme volatility in the financial markets. Therefore,  
 20 the Company proposes that WACC be set to reflect current capital market conditions.

- 3 -

1 PSE&G believes that elements of the WACC most recently approved by the Board in  
2 October 2008 are reflective of the increased cost of capital.

3 • The capital structure will:

4 ○ Reflect that the incremental capital required to finance the EEE Stimulus  
5 Program, as well as the accelerated Capital Infrastructure Investment  
6 expenditures and be a combination of new long-term debt and common  
7 equity.

8 ○ Reflect an increase in the equity component of our capitalization thereby  
9 reducing financial risk and improving credit quality.

10 • The cost of long-term debt will:

11 ○ Reflect the weighted embedded cost of the current actual PSE&G long-  
12 term debt outstanding.

13 ○ Include a pro forma adjustment to the actual embedded cost to reflect the  
14 anticipated additional long-term debt, as described above, required to  
15 finance the expenditures at the current cost for such a new long-term  
16 utility debt issue.

17 • The cost of common equity will be equal to the 10.3% return on equity granted  
18 most recently by the Board in the fourth quarter of 2008. This higher equity  
19 return is necessary due to the increased business risks associated with the volatile  
20 financial markets.

1  
2 The calculation deriving this current value results in 8.2629% per year or  
3 0.68858% per month. Adjusting for current income tax effects, the resultant  
4 value is equal to 11.9751% per year or 0.9979% per month, as shown  
5 in Attachment 7A.

6 Net Investment – This is the net balance of:

- 7 1) The regulatory asset account equal to the EEE Stimulus Program  
8 Investments less the associated accumulated amortization.  
9 2) Capitalized IT costs less its associated accumulated amortization.  
10 3) Accumulated Deferred Income Tax (ADIT)

11 Amortization – The Amortization is composed of two components:

- 12 1) The amortization of the regulatory asset. The EEE Stimulus Program  
13 Investments would be amortized over ten years, which approximates the  
14 average period of time over which the benefits from the EEE Stimulus  
15 Program will be realized. The amortization would be based on a  
16 monthly vintaging methodology instead of the mass property accounting  
17 typically used for utility property.  
18 2) The amortization of the Capitalized IT costs. It is anticipated that a  
19 tracking system for the proposed sub-programs will be needed. Costs  
20 associated with the tracking system will be accounted for in accordance  
21 with PSE&G's existing capitalization policy. It is currently estimated

- 5 -

1           that this project will cost approximately \$3 million and be amortized  
2           over five years.

3           Administrative Costs – Administrative Costs would include any PSE&G labor  
4           and other related on-going costs required to run the EEE Stimulus Program.  
5           An annual summary of the Administrative Costs can be found in Attachment  
6           5E Revised, Page 1 for electric and Page 2 for gas from the EEE Stimulus  
7           Program Petition. See electronic workpaper WP\_REB-1 Revised, worksheet  
8           “Program Admn E&G” for detailed assumptions.

9           EEE Stimulus Program Investment Repayments – These repayments from  
10          participants will be credited back to customers as an offset to revenue  
11          requirements. An annual summary of the EEE Stimulus Program Investment  
12          Repayments can be found in Attachment 5E Revised, Page 1 for electric and  
13          Page 2 for gas from the EEE Stimulus Program Petition. The monthly detail  
14          and assumptions supporting the EEE Stimulus Program Investment  
15          Repayments can be found in electronic workpaper WP\_REB-1 Revised on  
16          each corresponding sub-program worksheet.

17          Lost Revenues – These are margin revenues that otherwise would not be  
18          recovered due the reduction in energy usage caused by the EEE Stimulus  
19          Program. Electric margin rate components potentially affected by the  
20          reduction in energy use are Distribution kWh, Distribution kW, and Base Rate

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1 Distribution kWh Adjustment kWh charges (without SUT). Gas margin rate  
2 components potentially affected by the reduction in energy use are Distribution  
3 Therm and Annual Demand Therm charges. The monthly detailed calculations  
4 of the Electric and Gas Lost Revenues can be found in electronic work paper  
5 WP\_SS 1.xls, worksheets “Input E” and “InputG” respectively. The calculated  
6 lost revenues assume there is not a base rate case during the life of these  
7 energy efficiency measures. Actual booked lost revenues will continue from  
8 the time that the measures are installed until new rates go into effect following  
9 the subsequent base rate case that includes the measures’ energy savings.  
10 Energy savings measures installed during the first half of the base rate case test  
11 year will be assumed to be fully reflected in the test year. Energy savings  
12 measures installed in the second half of the test year will be assumed to be not  
13 reflected in the test year.

14 The monthly detailed calculations of the electric and gas revenue  
15 requirements for the initial period (April 2009 through December 2010) along with an  
16 annual summary for the entire EEE Stimulus Program based upon the projected Direct  
17 Costs and Lost Revenues for electric and gas, are shown in Attachments 7B & 7C,  
18 respectively. The remaining monthly calculations that support the annual summary  
19 for the third year and beyond are available in the electronic workpapers (WP\_SS-

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1 1.xls, worksheets “RevReqE” & “RevReqG”). Below is a detailed description of the  
2 monthly revenue requirements calculations set forth in Attachments 7B and 7C.

3           EEE Stimulus Program Investment (Column 1) is an input into the  
4 revenue requirements calculation. An annual summary of the EEE Stimulus Program  
5 Investments can be found in Attachment 5E Revised, Page 1 for electric and Page 2  
6 for gas from the EEE Stimulus Program Petition. For detailed assumptions regarding  
7 the EEE Stimulus Program Investments, see electronic workpaper WP\_REB-1  
8 Revised, and each corresponding sub-program assumption worksheet. Capitalized IT  
9 costs (Column 2) is also an input into the calculation. For the Capitalized IT Cost  
10 assumptions, see Attachment 5E Revised, Page 1 for electric and Page 2 for gas from  
11 the EEE Stimulus Program Petition. It is the cost of the IT system that will be needed  
12 to manage the EEE Stimulus Program implementation. Gross Plant (Column 3) is the  
13 cumulative sum of EEE Stimulus Program Investments (Column 1) and IT  
14 Capitalized Costs (Column 2). EEE Stimulus Program Investment Amortization  
15 (Column 4) is the amortization of the Program Investments from Column 1. Since the  
16 amortization of these investments is to be made over ten years, the amortization is  
17 equal to  $1/120^{\text{th}}$  of each prior 120 months of EEE Stimulus Program Investments from  
18 Column 1. IT Cost Amortization (Column 5) is the amortization of the IT Costs from  
19 Column 2. Since the amortization of these costs is to be made over five years, the  
20 amortization is equal to  $1/60^{\text{th}}$  of each prior 60 months of IT Costs from Column 2.

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1 The Accumulated Amortization (Column 6) is the cumulative sum of the EEE  
2 Stimulus Program Investment Amortization (Column 4) and the IT Cost Amortization  
3 (Column 5). Net Plant (Column 7) is the Gross Plant (Column 3) less the  
4 Accumulated Amortization (Column 6). The details for the calculation of Tax  
5 Depreciation (Column 8) and Deferred Income Tax (Column 9) related to the EEE  
6 Stimulus Program Investments and IT Capitalized costs are included in the electronic  
7 workpapers (WP\_SS-1.xls, worksheets "AmortE" and "AmortG"). ADIT (Column  
8 10) is the cumulative total of Deferred Tax (Column 9). The month ending Net  
9 Investment (Column 11) is equal to the Net Plant (Column 7) less the ADIT (Column  
10 10). The monthly Return Requirement (Column 12) is the average Net Investment  
11 (prior month Net Investment plus current month ending Net Investment from Column  
12 11 divided by 2) multiplied by the Monthly Pre-Tax WACC from Attachment 7A.  
13 The Monthly Revenue Requirement (Column 16) is calculated as the EEE Stimulus  
14 Program Investment Amortization (Column 4) plus the IT Cost Amortization  
15 (Column 5) plus the Return Requirement (Column 12) less the EEE Stimulus Program  
16 Investment Repayments (Column 13) plus the Administration Costs (Column 14) plus  
17 the Lost Distribution Margin Revenue (Column 15).

18 The expected electric revenue requirements for the EEE Stimulus  
19 Program are \$6,216,047 in 2009 and peak in 2013 at \$19,865,269 based upon current  
20 EEE Stimulus Program assumptions. The expected gas revenue requirements for the

- 9 -

1 Program are \$2,444,161 for 2009 and peak in 2013 at \$ 6,526,009 based upon current  
2 EEE Stimulus Program assumptions.

3 The Board's Order pursuant to *N.J.S.A.* 48:3-98.1, Appendix A, I(a),  
4 BPU Docket No. EO08030164, requires three years of a pro-forma Income Statement  
5 and Balance Sheet showing the incremental impacts from the EEE Stimulus Program.  
6 The Income Statement and Balance Sheet for the electric and gas EEE Stimulus  
7 Program for all years is contained in Attachments 7D and 7E, respectively. Note that  
8 the amortization of the regulatory asset associated with the EEE Stimulus Program  
9 Investment described above is considered "Customer Assistance Expense" for  
10 Accounting Purposes and is included in the Operations & Maintenance Expense line  
11 on the Income Statements.

12 Method for Cost Recovery

13 PSE&G will recover the net revenue requirements associated with this  
14 EEE Stimulus Program via two new EEE Stimulus components (EEESC) of the  
15 Company's electric and gas RGGI Recovery Charges (RRC). The electric EEESC  
16 will be applicable to all electric rate schedules on an equal cents per kilowatt-hour  
17 basis for recovery of costs associated with the electric EEE Stimulus Program. The  
18 gas EEESC will be applicable to all gas rate schedules on an equal cents per therm  
19 basis for recovery of costs associated with the gas EEE Stimulus Program. The initial  
20 EEE Stimulus components will be based on estimated EEE Stimulus Program revenue

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1 requirements from April 1, 2009 to December 31, 2010. The electric and gas  
2 EEESCs, as proposed as part of this Supplemental Filing are to be effective April 1,  
3 2009, or on or about the time of the Board Order approving the Company's proposal  
4 set forth herein, whichever date is later. Thereafter, the electric and gas EEESCs will  
5 be changed nominally on an annual basis incorporating a true-up for actuals and an  
6 estimate of the revenue requirements for the upcoming year. Carrying charges at the  
7 Company's monthly WACC would be applicable on any over/under recovered  
8 balance on a monthly basis. The calculation of the proposed electric and gas EEESCs  
9 are shown in Attachments 7F and 7G, respectively. The Revenue Requirements  
10 (Column 1) for each period, initial and all subsequent annual periods, are divided by  
11 the current forecasted sales, kilowatt-hours for electric and therms for gas, to  
12 determine the electric EEESC and gas EEESC (Column 2) without the New Jersey  
13 Energy Sales and Use Tax (SUT) applied. The forecasted kilowatt-hours and therm  
14 sales used for this analysis are consistent with the Company's 2009 Societal Benefits  
15 Charge (SBC) filing. This same level of sales is held constant for illustrative  
16 purposes only, for all subsequent annual periods.

17 Under the Company's proposal, any over/under recovery of the actual  
18 revenue requirements compared to revenues would be deferred. PSE&G's WACC  
19 would be applicable as the carrying charge on any over / under recovered balance on a  
20 monthly basis. The monthly WACC rate would be multiplied times the average

1 monthly deferred balance. The carrying charge on the over / under recovery balance  
2 would be added monthly to the deferred balance. Near the end of the initial and each  
3 subsequent recovery period, the corresponding electric and gas deferred balances  
4 would be included with forecasted revenue requirements for the succeeding period for  
5 purpose of setting the revised electric and gas RRCs.

#### 6 Projected Bill Impacts

7 An estimate of rate and bill impacts of the electric EEESC and gas  
8 EEESC has been prepared as Attachments 7F and 7G, respectively. The calculations  
9 of electric EEESC and gas EEESC without SUT were previously described in the  
10 Method of Direct Cost Recovery section above. The electric EEESC and gas EEESC  
11 with SUT (Column 3) are determined by multiplying each EEESC without SUT  
12 (Column 2) by one plus the current SUT rate (7%). This Rate Impact Analysis uses  
13 current rates for calculating the percentage change in all rate classes. The current  
14 rates for all rate classes are the first rows of Attachments 7F and 7G.

15 The expected increase from the electric EEESC for the initial recovery  
16 period for a residential customer would be \$0.000355 per kWh (including SUT). The  
17 typical annual residential electric bill would increase \$2.44 (0.192%) or about \$0.20  
18 per month. The expected increase from the gas EEESC for the first initial recovery  
19 period for a residential customer would be \$0.002294 per therm (including SUT).

1 The typical annual residential gas bill would increase \$2.80 (0.148%) or about \$0.23  
2 per month.

3 As currently projected, the maximum rate impacts for residential  
4 customers from the electric and gas EEESCs would occur in 2013. The expected  
5 maximum increase from the electric EEESC for a residential customer would be  
6 \$0.000474 per kWh (including SUT), for a typical annual residential bill impact of  
7 \$3.28 (0.258%) or about \$0.27 per month. The maximum rate impact from the gas  
8 EEESC for residential customers would be \$0.002344 per therm (including SUT), for  
9 a total typical annual residential bill impact of \$2.84 (0.150%) or about \$0.24 per  
10 month.

11 Included is Attachment 7H which shows the cumulative rate impact  
12 analysis of the Solar Program Recovery Charge and Electric RGGI Recovery Charge.  
13 Attachment 7I shows the cumulative rate impact of the Gas RGGI Recovery Charge.

**C E E**

- ATTACHMENT 7A ..... Weighted Average Cost of Capital (WACC)
- ATTACHMENT 7B ..... Electric Revenue Requirements Calculation
- ATTACHMENT 7C ..... Gas Revenue Requirements Calculation
- ATTACHMENT 7D ..... Electric Income Statement and Balance Sheet
- ATTACHMENT 7E ..... Gas Income Statement and Balance Sheet
- ATTACHMENT 7F ..... Electric RGGI Recovery Charge (RRC) -Rate Impact Analysis
- ATTACHMENT 7G ..... Gas RGGI Recovery Charge (RRC) - Rate Impact Analysis
- ATTACHMENT 7H ..... Cumulative Rate Impact Analysis – Solar Program Recovery Charge (SPRC) and Electric RGGI Recovery Charge (RRC)
- ATTACHMENT 7I ..... Cumulative Rate Impact Analysis – Gas RGGI Recovery Charge (RRC)

**E E C R C R E R E**

WP\_SS-1.xls

WP\_REB-1 REVISED

ER C

STATE OF NEW JERSEY )  
 :  
COUNTY OF ESSEX )

I, the undersigned, being duly sworn, depose and say that the information contained in Attachment 7, to the best of my knowledge, information and belief, is true, correct, accurate and complete.

*Original Signed by  
Stephen Swetz*

---

Stephen Swetz  
Manager – Rates & Regulations  
Public Service Electric and Gas Company

Sworn and Subscribed to )  
before me this 4<sup>th</sup> day )  
of February 2009 )

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**PSE&G Economic Energy Efficiency Stimulus Program  
Weighted Average Cost of Capital (WACC)**

**Attachment 7A**

	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Revenue Conversion Factor</u>	<u>Pre-Tax Weighted Cost</u>	<u>Discount Rate</u>
Long-term Debt	46.7864%	6.2315%	2.9155%	1.0000	2.9155%	
Customer Deposits	<u>1.0197%</u>	2.3400%	<u>0.0239%</u>	1.0000	<u>0.0239%</u>	
Sub-total	47.8061%		2.9394%		2.9394%	1.7317%
Preferred Stock	0.9940%	5.0300%	0.0500%	1.6973	0.0849%	0.0500%
Common Equity	<u>51.2000%</u>	10.3000%	<u>5.2736%</u>	1.6973	<u>8.9509%</u>	<u>5.2736%</u>
Total	100.0000%		8.2629%		11.9751%	7.0553%
Monthly WACC			0.68858%		0.9979%	

Reflects a tax rate of 41.084%

**PSE&G Economic Energy Efficiency Stimulus Program  
Electric Revenue Requirements Calculation**

Attachment 7B

	Monthly Pre-Tax WACC Income Tax Rate		0.99792% 41.084%														
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
	Program Investment	Capitalized IT Costs	Gross Plant	Program Investment Amortization	IT Cost Amortization	Accumulated Amortization	Net Plant	Tax Depreciation	Deferred Income Tax	Accumulated Deferred Income Tax	Net Investment	Return Requirement	Program Investment Repayments	Administrative costs	Lost Distribution Margin Revenue	Revenue Requirements	
<b>Monthly Calculations</b>																	
Jan-09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Feb-09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mar-09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Apr-09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
May-09	-	-	-	-	-	-	-	-	-	-	-	-	-	97,040	-	97,040	
Jun-09	-	-	-	-	-	-	-	-	-	-	-	-	-	97,040	-	97,040	
Jul-09	6,583,333	2,141,566	8,724,899	-	-	-	8,724,899	6,583,333	2,704,697	2,704,697	6,020,203	30,038	-	388,159	-	418,198	
Aug-09	6,583,333	-	15,308,233	54,861	17,846	72,707	15,235,525	6,668,996	2,710,019	5,414,716	9,820,809	79,040	-	776,318	16,019	944,085	
Sep-09	6,583,333	-	21,891,566	109,722	17,846	200,276	21,691,290	6,668,996	2,687,480	8,102,196	13,589,094	116,806	(37,005)	776,318	31,919	1,015,608	
Oct-09	6,583,333	-	28,474,899	164,583	17,846	382,706	28,092,194	6,668,996	2,664,941	10,767,137	17,325,057	154,249	(74,009)	776,318	42,213	1,081,201	
Nov-09	6,583,333	-	35,058,233	219,444	17,846	619,997	34,438,236	6,668,996	2,642,402	13,409,538	21,028,698	191,370	(111,014)	776,318	55,857	1,149,822	
Dec-09	6,583,333	-	41,641,566	274,306	17,846	912,149	40,729,417	6,668,996	2,619,863	16,029,401	24,700,016	228,168	(148,018)	776,318	70,354	1,218,974	
Jan-10	6,583,333	-	48,224,899	329,167	17,846	1,259,162	46,965,738	6,640,442	2,585,592	18,614,993	28,350,744	264,702	(185,023)	776,318	84,252	1,287,262	
Feb-10	6,583,333	-	54,808,233	384,028	17,846	1,661,036	53,147,197	6,640,442	2,563,053	21,178,046	31,969,150	300,972	(222,028)	776,318	97,066	1,354,202	
Mar-10	6,583,333	-	61,391,566	438,889	17,846	2,117,771	59,273,795	6,640,442	2,540,514	23,718,560	35,555,235	336,920	(259,032)	776,318	112,567	1,423,508	
Apr-10	6,583,333	-	67,974,899	493,750	17,846	2,629,367	65,345,532	6,640,442	2,517,975	26,236,535	39,108,997	372,545	(296,037)	776,318	126,198	1,490,621	
May-10	6,583,333	-	74,558,233	548,611	17,846	3,195,825	71,362,408	6,640,442	2,495,436	28,731,971	42,630,437	407,847	(333,042)	776,318	140,131	1,557,712	
Jun-10	6,583,333	-	81,141,566	603,472	17,846	3,817,144	77,324,422	6,640,442	2,472,897	31,204,867	46,119,555	442,827	(370,046)	776,318	176,738	1,647,155	
Jul-10	6,583,333	-	87,724,899	658,333	17,846	4,493,323	83,231,576	6,640,442	2,450,357	33,655,225	49,576,351	477,484	(407,051)	776,318	193,518	1,716,450	
Aug-10	6,583,333	-	94,308,233	713,194	17,846	5,224,364	89,083,869	6,640,442	2,427,818	36,083,043	53,000,825	511,819	(444,055)	776,318	208,249	1,783,372	
Sep-10	6,583,333	-	100,891,566	768,056	17,846	6,010,266	94,881,300	6,640,442	2,405,279	38,488,322	56,392,978	545,831	(481,060)	776,318	223,436	1,850,427	
Oct-10	6,583,333	-	107,474,899	822,917	17,846	6,851,029	100,623,870	6,640,442	2,382,740	40,871,062	59,752,808	579,521	(518,065)	776,318	211,063	1,889,601	
Nov-10	6,583,333	-	114,058,233	877,778	17,846	7,746,653	106,311,579	6,640,442	2,360,201	43,231,263	63,080,316	612,888	(555,069)	776,318	223,427	1,953,189	
Dec-10	6,583,333	-	120,641,566	932,639	17,846	8,697,139	111,944,427	6,640,442	2,337,662	45,568,925	66,375,503	645,933	(592,074)	776,318	239,205	2,019,867	
	Program Assumption	Program Assumption	Prior Month + (Col 1 + Col 2)	1/120 of each Prior 120 Months from Col 1 (10 year amortization)	1/60 of Each Prior 60 Months of Col 2 (5 year amortization)	Prior Month + (Col 4 + Col 5)	Col 3 - Col 6	See WP_SS- 1.xls 'AmortE' wksht	-(Col 4 + Col 5 - Col 8) * Income Tax Rate	Prior Month + Col 9	Col 7 - Col 10	(Prior Col 11 + Col 11) / 2 * Monthly Pre Tax WACC	Program Assumption	Program Assumption	See WP_SS- 1.xls 'InputE' wksht	Col 4 + Col 5 + Col 12 + Col 13 + Col 14 + Col 15	
<b>Annual Summary</b>																	
2009	39,500,000	-	41,641,566	822,917	89,232	912,149	40,729,417	39,928,313	16,029,401	16,029,401	24,700,016	799,672	(370,046)	4,657,910	216,362	6,216,047	
2010	79,000,000	-	120,641,566	7,570,833	214,157	8,697,139	111,944,427	79,685,301	29,539,524	45,568,925	66,375,503	5,499,289	(4,662,582)	9,315,820	2,035,848	19,973,365	
2011	-	-	120,641,566	11,850,000	214,157	20,761,295	99,880,271	411,181	(4,787,509)	40,781,416	59,098,855	7,512,802	(7,662,336)	1,017,245	3,173,269	16,105,137	
2012	-	-	120,641,566	11,850,000	214,157	32,825,452	87,816,114	246,280	(4,855,256)	35,926,160	51,889,954	6,645,477	(4,251,249)	-	3,173,269	17,631,654	
2013	-	-	120,641,566	11,850,000	214,157	44,889,608	75,751,958	246,280	(4,855,256)	31,070,904	44,681,054	5,782,208	(1,154,366)	-	3,173,269	19,865,269	
2014	-	-	120,641,566	11,850,000	214,157	56,953,765	63,687,801	124,211	(4,905,407)	26,165,496	37,522,305	4,921,943	(754,167)	-	3,173,269	19,405,202	
2015	-	-	120,641,566	11,850,000	214,157	69,017,922	51,623,644	-	(4,956,438)	21,209,058	30,414,586	4,067,735	(715,278)	-	3,173,269	18,589,883	
2016	-	-	120,641,566	11,850,000	214,157	81,082,078	39,559,488	-	(4,956,438)	16,252,620	23,306,868	3,216,583	(312,500)	-	3,173,269	18,141,509	
2017	-	-	120,641,566	11,850,000	214,157	93,146,235	27,495,331	-	(4,956,438)	11,296,182	16,199,149	2,365,431	(3,472)	-	3,173,269	17,599,384	
2018	-	-	120,641,566	11,850,000	214,157	105,210,391	15,431,175	-	(4,956,438)	6,339,744	9,091,431	1,514,279	-	-	3,173,269	16,751,704	
2019	-	-	120,641,566	11,027,083	124,925	116,362,399	4,279,167	-	(4,581,691)	1,758,053	2,521,114	673,308	-	-	3,173,269	14,998,585	
2020	-	-	120,641,566	4,279,167	-	120,641,566	(0)	-	(1,758,053)	0	(0)	104,828	-	-	3,173,269	7,557,264	
2021	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	3,173,269	3,173,269	
2022	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	3,173,269	3,173,269	
2023	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	3,173,269	3,173,269	
2024	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	2,979,904	2,979,904	
2025	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	1,325,902	1,325,902	
2026	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	118,675	118,675	
2027	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	-	(0)	
2028	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	-	(0)	
2029	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	-	(0)	
2030	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	-	(0)	
2031	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	-	(0)	
2032	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	-	(0)	
2033	-	-	120,641,566	-	-	120,641,566	(0)	-	0	0	(0)	0	-	-	-	(0)	
<b>Total</b>	<b>118,500,000</b>	<b>2,141,566</b>		<b>118,500,000</b>	<b>2,141,566</b>			<b>120,641,566</b>	<b>0</b>			<b>43,103,554</b>	<b>(19,885,996)</b>	<b>14,990,975</b>	<b>47,929,191</b>	<b>206,779,291</b>	
													<b>(27,643,326)</b>				

**PSE&G Economic Energy Efficiency Stimulus Program  
Gas Revenue Requirements Calculation**

Monthly Pre-Tax WACC 0.99792%  
Income Tax Rate 41.084%  
Annual Therm Sales (000) 3,205,881

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Program Investment	Capitalized IT Costs	Gross Plant	Program Investment Amortization	IT Cost Amortization	Accumulated Amortization	Net Plant	Tax Depreciation	Deferred Income Tax	Accumulated Deferred Income Tax	Net Investment	Return Requirement	Program Investment Repayments	Administrative costs	Lost Distribution Margin Revenue	Revenue Requirements
<b>Monthly Calculations</b>																
Jan-09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb-09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar-09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr-09	-	-	-	-	-	-	-	-	-	-	-	-	-	22,520	-	22,520
May-09	-	-	-	-	-	-	-	-	-	-	-	-	-	55,276	-	55,276
Jun-09	-	-	-	-	-	-	-	-	-	-	-	-	-	77,796	-	77,796
Jul-09	2,638,889	858,434.00	3,497,323	-	-	-	3,497,323	2,638,889	1,084,161	1,084,161	2,413,162	12,041	-	155,591	-	167,632
Aug-09	2,638,889	-	6,136,212	21,991	7,154	29,144	6,107,067	2,673,226	1,086,295	2,170,456	3,936,612	31,683	-	311,183	198	372,208
Sep-09	2,638,889	-	8,775,101	43,981	7,154	80,279	8,694,821	2,673,226	1,077,260	3,247,716	5,447,106	46,821	(11,938)	311,183	384	397,584
Oct-09	2,638,889	-	11,413,990	65,972	7,154	153,405	11,260,584	2,673,226	1,068,225	4,315,941	6,944,643	61,830	(23,877)	311,183	2,449	424,711
Nov-09	2,638,889	-	14,052,878	87,963	7,154	248,522	13,804,357	2,673,226	1,059,191	5,375,131	8,429,225	76,709	(35,815)	311,183	3,161	450,354
Dec-09	2,638,889	-	16,691,767	109,954	7,154	365,629	16,326,138	2,673,226	1,050,156	6,425,287	9,900,851	91,460	(47,753)	311,183	4,082	476,079
Jan-10	2,638,889	-	19,330,656	131,944	7,154	504,727	18,825,929	2,661,780	1,036,419	7,461,706	11,364,223	106,104	(59,691)	311,183	4,899	501,592
Feb-10	2,638,889	-	21,969,545	153,935	7,154	665,816	21,303,729	2,661,780	1,027,384	8,489,090	12,814,639	120,643	(71,630)	311,183	5,162	526,447
Mar-10	2,638,889	-	24,608,434	175,926	7,154	848,896	23,759,538	2,661,780	1,018,349	9,507,440	14,252,099	135,052	(83,568)	311,183	6,532	552,278
Apr-10	2,638,889	-	27,247,323	197,917	7,154	1,053,966	26,193,357	2,661,780	1,009,315	10,516,755	15,676,602	149,332	(95,506)	311,183	7,111	577,190
May-10	2,638,889	-	29,886,212	219,907	7,154	1,281,027	28,605,185	2,661,780	1,000,280	11,517,035	17,088,150	163,483	(107,444)	311,183	8,165	602,447
Jun-10	2,638,889	-	32,525,101	241,898	7,154	1,530,079	30,995,022	2,661,780	991,245	12,508,280	18,486,742	177,504	(119,383)	311,183	2,111	620,467
Jul-10	2,638,889	-	35,163,990	263,889	7,154	1,801,121	33,362,868	2,661,780	982,211	13,490,491	19,872,377	191,397	(131,321)	311,183	2,379	644,680
Aug-10	2,638,889	-	37,802,878	285,880	7,154	2,094,154	35,708,724	2,661,780	973,176	14,463,667	21,245,057	205,160	(143,259)	311,183	2,578	668,694
Sep-10	2,638,889	-	40,441,767	307,870	7,154	2,409,178	38,032,589	2,661,780	964,141	15,427,809	22,604,780	218,793	(155,197)	311,183	2,686	692,489
Oct-10	2,638,889	-	43,080,656	329,861	7,154	2,746,193	40,334,463	2,661,780	955,107	16,382,915	23,951,548	232,297	(167,136)	311,183	12,247	725,606
Nov-10	2,638,889	-	45,719,545	351,852	7,154	3,105,199	42,614,347	2,661,780	946,072	17,328,987	25,285,359	245,672	(179,074)	311,183	12,642	749,429
Dec-10	2,638,889	-	48,358,434	373,843	7,154	3,486,195	44,872,239	2,661,780	937,037	18,266,025	26,606,214	258,918	(191,012)	311,183	13,880	773,965
	Program Assumption	Program Assumption	Prior Month + (Col 1 + Col 2)	1/120 of each Prior 120 Months from Col 1 (10 year amortization)	1/60 of Each Prior 60 Months of Col 2 (5 year amortization)	Prior Month + (Col 4 + Col 5)	Col 3 - Col 6	See WP_SS-1.xls 'AmortG' wksht	-(Col 4 + Col 5 - Col 8) * Income Tax Rate	Prior Month + Col 9	Col 7 - Col 10	(Prior Col 11 + Col 11) / 2 Monthly Pre Tax WACC	Program Assumption	Program Assumption	See WP_SS-1.xls 'InputG' wksht	Col 4 + Col 5 + Col 12 + Col 13 + Col 14 + Col 15
<b>Annual Summary</b>																
2009	15,833,333	858,434	16,691,767	329,861	35,768	365,629	16,326,138	16,005,020	6,425,287	6,425,287	9,900,851	320,544	(119,383)	1,867,096	10,274	2,444,161
2010	31,666,667	-	48,358,434	3,034,722	85,843	3,486,195	44,872,239	31,941,366	11,840,737	18,266,025	26,606,214	2,204,356	(1,504,221)	3,734,192	80,393	7,635,285
2011	-	-	48,358,434	4,750,000	85,843	8,322,038	40,036,396	164,819	(1,919,044)	16,346,981	23,689,414	3,011,461	(2,498,270)	407,756	129,249	5,886,038
2012	-	-	48,358,434	4,750,000	85,843	13,157,882	35,200,552	98,720	(1,946,200)	14,400,781	20,799,771	2,663,799	(1,688,333)	-	129,249	5,940,558
2013	-	-	48,358,434	4,750,000	85,843	17,993,725	30,364,709	98,720	(1,946,200)	12,454,582	17,910,127	2,317,763	(756,846)	-	129,249	6,526,009
2014	-	-	48,358,434	4,750,000	85,843	22,829,568	25,528,866	49,789	(1,966,303)	10,488,279	15,040,586	1,972,931	(502,778)	-	129,249	6,435,245
2015	-	-	48,358,434	4,750,000	85,843	27,665,412	20,693,022	-	(1,986,758)	8,501,521	12,191,501	1,630,527	(476,852)	-	129,249	6,118,767
2016	-	-	48,358,434	4,750,000	85,843	32,501,255	15,857,179	-	(1,986,758)	6,514,763	9,342,415	1,289,348	(208,333)	-	129,249	6,046,106
2017	-	-	48,358,434	4,750,000	85,843	37,337,099	11,021,335	-	(1,986,758)	4,528,005	6,493,330	948,168	(2,315)	-	129,249	5,910,946
2018	-	-	48,358,434	4,750,000	85,843	42,172,942	6,185,492	-	(1,986,758)	2,541,248	3,644,244	606,989	-	-	129,249	5,572,081
2019	-	-	48,358,434	4,420,139	50,075	46,643,156	1,715,278	-	(1,836,543)	704,705	1,010,573	269,891	-	-	129,249	4,869,354
2020	-	-	48,358,434	1,715,278	-	48,358,434	(0)	-	(704,705)	(0)	(0)	42,020	-	-	129,249	1,886,546
2021	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	129,249	129,249
2022	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	129,249	129,249
2023	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	129,249	129,249
2024	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	120,131	120,131
2025	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	57,486	57,486
2026	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	14,009	14,009
2027	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	14,009	14,009
2028	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	14,009	14,009
2029	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	12,852	12,852
2030	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	-	(0)
2031	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	-	(0)
2032	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	-	(0)
2033	-	-	48,358,434	-	-	48,358,434	(0)	-	-	(0)	(0)	(0)	-	-	-	(0)
<b>Total</b>	<b>47,500,000</b>	<b>858,434</b>		<b>47,500,000</b>	<b>858,434</b>			<b>48,358,434</b>	<b>0</b>				<b>(7,757,331)</b>	<b>6,009,044</b>	<b>2,003,395</b>	<b>65,891,339</b>



**PSE&G Economic Energy Efficiency Stimulus Program  
Incremental Electric Income Statement and Balance Sheet**

10.3% ROE, 10 Year Amortization  
**Electric Program**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b><u>Income Statement</u></b>							
Operating Revenues	14,968,239	14,426,115	13,578,435	11,825,316	4,383,995	(0)	(0)
Operating Expenses							
Operations & Maintenance <sup>1</sup>	11,850,000	11,850,000	11,850,000	11,027,083	4,279,167	-	-
Depreciation & Amortization	214,157	214,157	214,157	124,925	-	-	-
<b>Total Operating Expenses</b>	<u>12,064,157</u>	<u>12,064,157</u>	<u>12,064,157</u>	<u>11,152,008</u>	<u>4,279,167</u>	<u>-</u>	<u>-</u>
<b>Operating Income</b>	2,904,083	2,361,958	1,514,279	673,308	104,828	(0)	(0)
Other Income	312,500	3,472	-	-	-	-	-
Interest Expense	(789,532)	(580,611)	(371,690)	(165,268)	(25,731)	0	0
<b>Income Before Income Taxes</b>	2,427,051	1,784,820	1,142,589	508,040	79,097	(0)	(0)
Income Tax Expense	(997,130)	(733,275)	(469,421)	(208,723)	(32,496)	0	0
<b>Net Income</b>	1,429,921	1,051,544	673,168	299,317	46,601	(0)	(0)
Preferred Dividends	(13,429)	(9,876)	(6,322)	(2,811)	(438)	0	0
<b>Earnings Available to PSEG</b>	<u>1,416,492</u>	<u>1,041,669</u>	<u>666,845</u>	<u>296,506</u>	<u>46,163</u>	<u>(0)</u>	<u>(0)</u>

<sup>1</sup>The amortization of the regulatory asset associated with the Program Investment is considered "Customer Assistance Expense" for Accounting Purposes and is included in Operations & Maintenance Expense

Incentive / (Penalty) Include in Revenues above

- - - - - - - -

**Balance Sheet**

<b><u>Assets</u></b>							
Property, Plant & Equipment	2,141,566	2,141,566	2,141,566	2,141,566	2,141,566	2,141,566	2,141,566
Less: Accumulated Depreciation & Amortization	(1,588,328)	(1,802,485)	(2,016,641)	(2,141,566)	(2,141,566)	(2,141,566)	(2,141,566)
<b>Net Property, Plant &amp; Equipment</b>	553,238	339,081	124,925	-	-	-	-
Regulatory Asset	118,500,000	118,500,000	118,500,000	118,500,000	118,500,000	118,500,000	118,500,000
Less: Accumulated Amortization	(79,493,750)	(91,343,750)	(103,193,750)	(114,220,833)	(118,500,000)	(118,500,000)	(118,500,000)
<b>Net Regulatory Asset</b>	39,006,250	27,156,250	15,306,250	4,279,167	-	-	-
<b>Total Assets</b>	<u>39,559,488</u>	<u>27,495,331</u>	<u>15,431,175</u>	<u>4,279,167</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Liabilities &amp; Capitalization</u></b>							
<b><u>Liabilities</u></b>							
Deferred Income Taxes	16,252,620	11,296,182	6,339,744	1,758,053	0	0	0
Capitalization	-	-	-	-	-	-	-
Debt	11,142,094	7,744,174	4,346,254	1,205,245	(0)	(0)	(0)
Preferred Stock	231,659	161,012	90,364	25,059	(0)	(0)	(0)
Common Equity	11,933,115	8,293,964	4,654,812	1,290,810	(0)	(0)	(0)
<b>Total Capitalization</b>	<u>23,306,868</u>	<u>16,199,149</u>	<u>9,091,431</u>	<u>2,521,114</u>	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
<b>Total Liabilities &amp; Capitalization</b>	<u>39,559,488</u>	<u>27,495,331</u>	<u>15,431,175</u>	<u>4,279,167</u>	<u>-</u>	<u>-</u>	<u>-</u>

**PSE&G Economic Energy Efficiency Stimulus Program  
Incremental Gas Income Statement and Balance Sheet**

**ATTACHMENT E  
PAGE 1 OF 2**

10.3% ROE, 10 Year Amortization

**Gas Program**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Income Statement</u></b>							
<b>Operating Revenues</b>	2,433,886	7,554,893	5,756,790	5,811,310	6,396,761	6,305,996	5,989,518
Operating Expenses							
Operations & Maintenance <sup>1</sup>	2,196,957	6,768,914	5,157,756	4,750,000	4,750,000	4,750,000	4,750,000
Depreciation & Amortization	35,768	85,843	85,843	85,843	85,843	85,843	85,843
<b>Total Operating Expenses</b>	<u>2,232,725</u>	<u>6,854,758</u>	<u>5,243,599</u>	<u>4,835,843</u>	<u>4,835,843</u>	<u>4,835,843</u>	<u>4,835,843</u>
<b>Operating Income</b>	201,161	700,135	513,191	975,466	1,560,917	1,470,153	1,153,675
Other Income	119,383	1,504,221	2,498,270	1,688,333	756,846	502,778	476,852
Interest Expense	(78,680)	(541,074)	(739,183)	(653,847)	(568,911)	(484,269)	(400,224)
<b>Income Before Income Taxes</b>	241,864	1,663,282	2,272,277	2,009,951	1,748,852	1,488,661	1,230,303
Income Tax Expense	(99,367)	(683,343)	(933,542)	(825,768)	(718,499)	(611,602)	(505,458)
<b>Net Income</b>	142,497	979,939	1,338,735	1,184,183	1,030,354	877,060	724,845
Preferred Dividends	(1,338)	(9,203)	(12,573)	(11,121)	(9,677)	(8,237)	(6,807)
<b>Earnings Available to PSEG</b>	<u>141,158</u>	<u>970,736</u>	<u>1,326,162</u>	<u>1,173,062</u>	<u>1,020,677</u>	<u>868,823</u>	<u>718,038</u>

<sup>1</sup>The amortization of the regulatory asset associated with the Program Investment is considered "Customer Assistance Expense" for Accounting Purposes and is included in Operations & Maintenance Expense

Incentive / (Penalty) Include in Revenues above

**Balance Sheet**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Assets</u></b>							
Property, Plant & Equipment	858,434	858,434	858,434	858,434	858,434	858,434	858,434
Less: Accumulated Depreciation & Amortization	(35,768)	(121,611)	(207,455)	(293,298)	(379,142)	(464,985)	(550,828)
<b>Net Property, Plant &amp; Equipment</b>	822,666	736,823	650,979	565,136	479,292	393,449	307,606
Regulatory Asset	15,833,333	47,500,000	47,500,000	47,500,000	47,500,000	47,500,000	47,500,000
Less: Accumulated Amortization	(329,861)	(3,364,583)	(8,114,583)	(12,864,583)	(17,614,583)	(22,364,583)	(27,114,583)
<b>Net Regulatory Asset</b>	<u>15,503,472</u>	<u>44,135,417</u>	<u>39,385,417</u>	<u>34,635,417</u>	<u>29,885,417</u>	<u>25,135,417</u>	<u>20,385,417</u>
<b>Total Assets</b>	<u>16,326,138</u>	<u>44,872,239</u>	<u>40,036,396</u>	<u>35,200,552</u>	<u>30,364,709</u>	<u>25,528,866</u>	<u>20,693,022</u>
<b><u>Liabilities &amp; Capitalization</u></b>							
<b><u>Liabilities</u></b>							
Deferred Income Taxes	6,425,287	18,266,025	16,346,981	14,400,781	12,454,582	10,488,279	8,501,521
<b><u>Capitalization</u></b>							
Debt	4,733,206	12,719,381	11,324,974	9,943,550	8,562,125	7,190,311	5,828,275
Preferred Stock	98,410	264,453	235,461	206,740	178,018	149,496	121,178
Common Equity	5,069,235	13,622,380	12,128,979	10,649,482	9,169,984	7,700,779	6,242,048
<b>Total Capitalization</b>	<u>9,900,851</u>	<u>26,606,214</u>	<u>23,689,414</u>	<u>20,799,771</u>	<u>17,910,127</u>	<u>15,040,586</u>	<u>12,191,501</u>
<b>Total Liabilities &amp; Capitalization</b>	<u>16,326,138</u>	<u>44,872,239</u>	<u>40,036,396</u>	<u>35,200,552</u>	<u>30,364,709</u>	<u>25,528,866</u>	<u>20,693,022</u>

**PSE&G Economic Energy Efficiency Stimulus Program  
Incremental Gas Income Statement and Balance Sheet**

10.3% ROE, 10 Year Amortization

**Gas Program**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b><u>Income Statement</u></b>							
<b>Operating Revenues</b>	5,916,858	5,781,697	5,442,833	4,740,106	1,757,297	(0)	(0)
Operating Expenses							
Operations & Maintenance <sup>1</sup>	4,750,000	4,750,000	4,750,000	4,420,139	1,715,278	-	-
Depreciation & Amortization	85,843	85,843	85,843	50,075	-	-	-
<b>Total Operating Expenses</b>	<u>4,835,843</u>	<u>4,835,843</u>	<u>4,835,843</u>	<u>4,470,214</u>	<u>1,715,278</u>	<u>-</u>	<u>-</u>
<b>Operating Income</b>	1,081,014	945,854	606,989	269,891	42,020	(0)	(0)
Other Income	208,333	2,315	-	-	-	-	-
Interest Expense	(316,479)	(232,734)	(148,990)	(66,247)	(10,314)	0	0
<b>Income Before Income Taxes</b>	972,869	715,434	458,000	203,645	31,706	(0)	(0)
Income Tax Expense	(399,693)	(293,929)	(188,165)	(83,665)	(13,026)	0	0
<b>Net Income</b>	573,175	421,505	269,835	119,979	18,680	(0)	(0)
Preferred Dividends	(5,383)	(3,959)	(2,534)	(1,127)	(175)	0	0
<b>Earnings Available to PSEG</b>	<u>567,792</u>	<u>417,547</u>	<u>267,301</u>	<u>118,853</u>	<u>18,504</u>	<u>(0)</u>	<u>(0)</u>

<sup>1</sup>The amortization of the regulatory asset associated with the Program Investment is considered "Customer Assistance Expense" for Accounting Purposes and is included in Operations & Maintenance Expense

Incentive / (Penalty) Include in Revenues above

**Balance Sheet**

<b><u>Assets</u></b>							
Property, Plant & Equipment	858,434	858,434	858,434	858,434	858,434	858,434	858,434
Less: Accumulated Depreciation & Amortization	(636,672)	(722,515)	(808,359)	(858,434)	(858,434)	(858,434)	(858,434)
<b>Net Property, Plant &amp; Equipment</b>	221,762	135,919	50,075	-	-	-	-
Regulatory Asset	47,500,000	47,500,000	47,500,000	47,500,000	47,500,000	47,500,000	47,500,000
Less: Accumulated Amortization	(31,864,583)	(36,614,583)	(41,364,583)	(45,784,722)	(47,500,000)	(47,500,000)	(47,500,000)
<b>Net Regulatory Asset</b>	<u>15,635,417</u>	<u>10,885,417</u>	<u>6,135,417</u>	<u>1,715,278</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>15,857,179</u>	<u>11,021,335</u>	<u>6,185,492</u>	<u>1,715,278</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Liabilities &amp; Capitalization</u></b>							
<b>Liabilities</b>							
<b>Deferred Income Taxes</b>	6,514,763	4,528,005	2,541,248	704,705	(0)	(0)	(0)
<b>Capitalization</b>							
Debt	4,466,240	3,104,205	1,742,169	483,115	0	0	0
Preferred Stock	92,859	64,541	36,222	10,045	0	0	0
Common Equity	4,783,316	3,324,585	1,865,853	517,413	0	0	0
<b>Total Capitalization</b>	<u>9,342,415</u>	<u>6,493,330</u>	<u>3,644,244</u>	<u>1,010,573</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities &amp; Capitalization</b>	<u>15,857,179</u>	<u>11,021,335</u>	<u>6,185,492</u>	<u>1,715,278</u>	<u>-</u>	<u>-</u>	<u>-</u>

**PSE&G Economic Energy Efficiency Stimulus Program  
Electric RGGI Recovery Charge (RRC) - Rate Impact Analysis**

Attachment 7F

6,960 Avg RS kWh / yr.  
722 Avg RS kWh / Summer Month  
509 Avg RS kWh / Winter Month

7% SUT Rate  
44,823,552 kWh Sales (000) - Annual  
34,043,842 kWh Sales (000) - April to Dec.

(1)	(2)	(3)	(4) - (13) Class Average Rate w/SUT - \$/kWh <sup>1</sup>										(14) - (16) Typical RS RRC (\$)			(17)	(18)	(19)	Calc to identify 5th line	Switch for 5th line																																																																																																																																																																																																																																																																																																																										
			RS	RHS	RLM	GLP	LPL-S (0-749)	LPL-S (750-999)	LPL-S (1,000+)	LPL-P	HTS-S	HTS-HV	Summer Monthly Bill	Winter Monthly Bill	Annual Bill						Change in RS Typical Annual Bill (\$'s)	RS Typical Annual Bill (\$'s)	% Change in RS Typical Annual Bill																																																																																																																																																																																																																																																																																																																							
<b>Current</b>			0.183074	0.161083	0.171609	0.176113	0.154741	0.157620	0.161963	0.152961	0.144593	0.136245	0.02	0.01	0.16	1,269.28																																																																																																																																																																																																																																																																																																																														
2009 <sup>2</sup>	6,216,047	0.000332	0.000355	0.183429	0.161438	0.171964	0.176468	0.155096	0.157975	0.162318	0.153316	0.144948	0.136600	0.27	0.19	2.03	1.87	1,271.15	0.147%	2.2	2																																																																																																																																																																																																																																																																																																																									
2010 <sup>2</sup>	19,973,365	0.000332	0.000355	0.183429	0.161438	0.171964	0.176468	0.155096	0.157975	0.162318	0.153316	0.144948	0.136600	0.27	0.19	2.60	2.44	1,271.72	0.192%	2.4	2																																																																																																																																																																																																																																																																																																																									
2011	16,105,137	0.000359	0.000384	0.183458	0.161467	0.171993	0.176497	0.155125	0.158004	0.162347	0.153345	0.144977	0.136629	0.29	0.21	2.84	2.68	1,271.96	0.211%	2.6	2																																																																																																																																																																																																																																																																																																																									
2012	17,631,654	0.000393	0.000421	0.183495	0.161504	0.172030	0.176534	0.155162	0.158041	0.162384	0.153382	0.145014	0.136666	0.32	0.22	3.04	2.88	1,272.16	0.227%	2.8	2																																																																																																																																																																																																																																																																																																																									
2013	19,865,269	0.000443	0.000474	0.183548	0.161557	0.172083	0.176587	0.155215	0.158094	0.162437	0.153435	0.145067	0.136719	0.36	0.25	3.44	3.28	1,272.56	0.258%	3	1																																																																																																																																																																																																																																																																																																																									
2014	19,405,202	0.000433	0.000463	0.183537	0.161546	0.172072	0.176576	0.155204	0.158083	0.162426	0.153424	0.145056	0.136708	0.35	0.25	3.40	3.24	1,272.52	0.255%	3.2	2																																																																																																																																																																																																																																																																																																																									
2015	18,589,883	0.000415	0.000444	0.183518	0.161527	0.172053	0.176557	0.155185	0.158064	0.162407	0.153405	0.145037	0.136689	0.34	0.24	3.28	3.12	1,272.40	0.246%	3.4	2																																																																																																																																																																																																																																																																																																																									
2016	18,141,509	0.000405	0.000433	0.183507	0.161516	0.172042	0.176546	0.155174	0.158053	0.162396	0.153394	0.145026	0.136678	0.33	0.23	3.16	3.00	1,272.28	0.236%	3.6	2																																																																																																																																																																																																																																																																																																																									
2017	17,599,384	0.000393	0.000421	0.183495	0.161504	0.172030	0.176534	0.155162	0.158041	0.162384	0.153382	0.145014	0.136666	0.32	0.22	3.04	2.88	1,272.16	0.227%	3.8	2																																																																																																																																																																																																																																																																																																																									
2018	16,751,704	0.000374	0.000400	0.183474	0.161483	0.172009	0.176513	0.155141	0.158020	0.162363	0.153361	0.144993	0.136645	0.30	0.21	2.88	2.72	1,272.00	0.214%	4	1																																																																																																																																																																																																																																																																																																																									
2019	14,998,585	0.000335	0.000358	0.183432	0.161441	0.171967	0.176471	0.155099	0.157978	0.162321	0.153319	0.144951	0.136603	0.27	0.19	2.60	2.44	1,271.72	0.192%	4.2	2																																																																																																																																																																																																																																																																																																																									
2020	7,557,264	0.000169	0.000181	0.183255	0.161264	0.171790	0.176294	0.154922	0.157801	0.162144	0.153142	0.144774	0.136426	0.15	0.10	1.40	1.24	1,270.52	0.098%	4.4	2																																																																																																																																																																																																																																																																																																																									
2021	3,173,269	0.000071	0.000076	0.183150	0.161159	0.171685	0.176189	0.154817	0.157696	0.162039	0.153037	0.144669	0.136321	0.07	0.05	0.68	0.52	1,269.80	0.041%	4.6	2																																																																																																																																																																																																																																																																																																																									
2022	3,173,269	0.000071	0.000076	0.183150	0.161159	0.171685	0.176189	0.154817	0.157696	0.162039	0.153037	0.144669	0.136321	0.07	0.05	0.68	0.52	1,269.80	0.041%	4.8	2																																																																																																																																																																																																																																																																																																																									
From Schedule SS-3 Col 16			Col 1 / [kWh Sales] (Rnd to 6 dec.)	Current Class Avg Rate + Col 2 for Each Rate Class (Col 4 thru Col 13)										eRRC + Col 3) * Avg RS kWh Mo Rnd 2			(Cur. eRRC + Col 3) * Avg RS kWh Mo			(4 * Col 14) + (8 * Col 15) [See Note2 for 2009]			Col 16 - Current Col 16	Current Col 17 + Col 18	Col 17 / Current Col 18																																																																																																																																																																																																																																																																																																																					
<table border="1"> <thead> <tr> <th colspan="19">% Change from Current Class Average Rate w/SUT</th> </tr> <tr> <th></th> <th>RS</th> <th>RHS</th> <th>RLM</th> <th>GLP</th> <th>LPL-S (0-749)</th> <th>LPL-S (750-999)</th> <th>LPL-S (1,000+)</th> <th>LPL-P</th> <th>HTS-S</th> <th>HTS-HV</th> <th colspan="8"></th> </tr> </thead> <tbody> <tr><td>2009</td><td>0.194%</td><td>0.220%</td><td>0.207%</td><td>0.202%</td><td>0.229%</td><td>0.225%</td><td>0.219%</td><td>0.232%</td><td>0.246%</td><td>0.261%</td><td colspan="8"></td></tr> <tr><td>2010</td><td>0.194%</td><td>0.220%</td><td>0.207%</td><td>0.202%</td><td>0.229%</td><td>0.225%</td><td>0.219%</td><td>0.232%</td><td>0.246%</td><td>0.261%</td><td colspan="8"></td></tr> <tr><td>2011</td><td>0.210%</td><td>0.238%</td><td>0.224%</td><td>0.218%</td><td>0.248%</td><td>0.244%</td><td>0.237%</td><td>0.251%</td><td>0.266%</td><td>0.282%</td><td colspan="8"></td></tr> <tr><td>2012</td><td>0.230%</td><td>0.261%</td><td>0.245%</td><td>0.239%</td><td>0.272%</td><td>0.267%</td><td>0.260%</td><td>0.275%</td><td>0.291%</td><td>0.309%</td><td colspan="8"></td></tr> <tr><td>2013</td><td>0.259%</td><td>0.294%</td><td>0.276%</td><td>0.269%</td><td>0.306%</td><td>0.301%</td><td>0.293%</td><td>0.310%</td><td>0.328%</td><td>0.348%</td><td colspan="8"></td></tr> <tr><td>2014</td><td>0.253%</td><td>0.287%</td><td>0.270%</td><td>0.263%</td><td>0.299%</td><td>0.294%</td><td>0.286%</td><td>0.303%</td><td>0.320%</td><td>0.340%</td><td colspan="8"></td></tr> <tr><td>2015</td><td>0.243%</td><td>0.276%</td><td>0.259%</td><td>0.252%</td><td>0.287%</td><td>0.282%</td><td>0.274%</td><td>0.290%</td><td>0.307%</td><td>0.326%</td><td colspan="8"></td></tr> <tr><td>2016</td><td>0.237%</td><td>0.269%</td><td>0.252%</td><td>0.246%</td><td>0.280%</td><td>0.275%</td><td>0.267%</td><td>0.283%</td><td>0.299%</td><td>0.318%</td><td colspan="8"></td></tr> <tr><td>2017</td><td>0.230%</td><td>0.261%</td><td>0.245%</td><td>0.239%</td><td>0.272%</td><td>0.267%</td><td>0.260%</td><td>0.275%</td><td>0.291%</td><td>0.309%</td><td colspan="8"></td></tr> <tr><td>2018</td><td>0.218%</td><td>0.248%</td><td>0.233%</td><td>0.227%</td><td>0.258%</td><td>0.254%</td><td>0.247%</td><td>0.262%</td><td>0.277%</td><td>0.294%</td><td colspan="8"></td></tr> <tr><td>2019</td><td>0.196%</td><td>0.222%</td><td>0.209%</td><td>0.203%</td><td>0.231%</td><td>0.227%</td><td>0.221%</td><td>0.234%</td><td>0.248%</td><td>0.263%</td><td colspan="8"></td></tr> <tr><td>2020</td><td>0.099%</td><td>0.112%</td><td>0.105%</td><td>0.103%</td><td>0.117%</td><td>0.115%</td><td>0.112%</td><td>0.118%</td><td>0.125%</td><td>0.133%</td><td colspan="8"></td></tr> <tr><td>2021</td><td>0.042%</td><td>0.047%</td><td>0.044%</td><td>0.043%</td><td>0.049%</td><td>0.048%</td><td>0.047%</td><td>0.050%</td><td>0.053%</td><td>0.056%</td><td colspan="8"></td></tr> <tr><td>2022</td><td>0.042%</td><td>0.047%</td><td>0.044%</td><td>0.043%</td><td>0.049%</td><td>0.048%</td><td>0.047%</td><td>0.050%</td><td>0.053%</td><td>0.056%</td><td colspan="8"></td></tr> </tbody> </table>																			% Change from Current Class Average Rate w/SUT																				RS	RHS	RLM	GLP	LPL-S (0-749)	LPL-S (750-999)	LPL-S (1,000+)	LPL-P	HTS-S	HTS-HV									2009	0.194%	0.220%	0.207%	0.202%	0.229%	0.225%	0.219%	0.232%	0.246%	0.261%									2010	0.194%	0.220%	0.207%	0.202%	0.229%	0.225%	0.219%	0.232%	0.246%	0.261%									2011	0.210%	0.238%	0.224%	0.218%	0.248%	0.244%	0.237%	0.251%	0.266%	0.282%									2012	0.230%	0.261%	0.245%	0.239%	0.272%	0.267%	0.260%	0.275%	0.291%	0.309%									2013	0.259%	0.294%	0.276%	0.269%	0.306%	0.301%	0.293%	0.310%	0.328%	0.348%									2014	0.253%	0.287%	0.270%	0.263%	0.299%	0.294%	0.286%	0.303%	0.320%	0.340%									2015	0.243%	0.276%	0.259%	0.252%	0.287%	0.282%	0.274%	0.290%	0.307%	0.326%									2016	0.237%	0.269%	0.252%	0.246%	0.280%	0.275%	0.267%	0.283%	0.299%	0.318%									2017	0.230%	0.261%	0.245%	0.239%	0.272%	0.267%	0.260%	0.275%	0.291%	0.309%									2018	0.218%	0.248%	0.233%	0.227%	0.258%	0.254%	0.247%	0.262%	0.277%	0.294%									2019	0.196%	0.222%	0.209%	0.203%	0.231%	0.227%	0.221%	0.234%	0.248%	0.263%									2020	0.099%	0.112%	0.105%	0.103%	0.117%	0.115%	0.112%	0.118%	0.125%	0.133%									2021	0.042%	0.047%	0.044%	0.043%	0.049%	0.048%	0.047%	0.050%	0.053%	0.056%									2022	0.042%	0.047%	0.044%	0.043%	0.049%	0.048%	0.047%	0.050%	0.053%	0.056%									5	1	5.2	2	5.4	2	5.6	2	5.8	2	6	
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<sup>1</sup>All customers assumed to have BGS Supply  
<sup>2</sup>Initial Rate period is April 2009 to December 2010

**PSE&G Economic Energy Efficiency Stimulus Program  
Gas RGGI Recovery Charge (RRC) - Rate Impact Analysis**

(1)	(2)	(3)	(4)-(10) Class Average Rate w/SUT - \$/therm <sup>1</sup>							(11)-(14) Typical RSG RRC (\$)				(15)	(16)	(17)	
			RSG	GSG	LVG	SLG	TSG-F	TSG-NF	CIG	Dec-Mar Monthly Bill	Nov & Apr Monthly Bill	May-Oct Monthly Bill	Annual Bill				
<b>Current</b>			1.586633	1.545397	1.397232	1.742955	1.344809	1.282488	1.177904	0.08	0.04	0.01	0.46		1,894.72		
2009 <sup>2</sup>	2,444,161	0.002144	0.002294	1.588927	1.547691	1.399526	1.745249	1.347103	1.284782	1.180198	0.54	0.28	0.09	1.64	1.18	1,895.90	0.062%
2010 <sup>2</sup>	7,635,285	0.002144	0.002294	1.588927	1.547691	1.399526	1.745249	1.347103	1.284782	1.180198	0.54	0.28	0.09	3.26	2.80	1,897.52	0.148%
2011	5,886,038	0.001976	0.002114	1.588747	1.547511	1.399346	1.745069	1.346923	1.284602	1.180018	0.50	0.26	0.08	3.00	2.54	1,897.26	0.134%
2012	5,940,558	0.001995	0.002135	1.588768	1.547532	1.399367	1.745090	1.346944	1.284623	1.180039	0.50	0.26	0.09	3.06	2.60	1,897.32	0.137%
2013	6,526,009	0.002191	0.002344	1.588977	1.547741	1.399576	1.745299	1.347153	1.284832	1.180248	0.55	0.28	0.09	3.30	2.84	1,897.56	0.150%
2014	6,435,245	0.002161	0.002312	1.588945	1.547709	1.399544	1.745267	1.347121	1.284800	1.180216	0.54	0.28	0.09	3.26	2.80	1,897.52	0.148%
2015	6,118,767	0.002055	0.002199	1.588832	1.547596	1.399431	1.745154	1.347008	1.284687	1.180103	0.52	0.27	0.09	3.16	2.70	1,897.42	0.143%
2016	6,046,106	0.002030	0.002172	1.588805	1.547569	1.399404	1.745127	1.346981	1.284660	1.180076	0.51	0.26	0.09	3.10	2.64	1,897.36	0.139%
2017	5,910,946	0.001985	0.002124	1.588757	1.547521	1.399356	1.745079	1.346933	1.284612	1.180028	0.50	0.26	0.09	3.06	2.60	1,897.32	0.137%
2018	5,572,081	0.001871	0.002002	1.588635	1.547399	1.399234	1.744957	1.346811	1.284490	1.179906	0.48	0.25	0.08	2.90	2.44	1,897.16	0.129%
2019	4,869,354	0.001635	0.001749	1.588382	1.547146	1.398981	1.744704	1.346558	1.284237	1.179653	0.43	0.22	0.07	2.58	2.12	1,896.84	0.112%
2020	1,886,546	0.000633	0.000677	1.587310	1.546074	1.397909	1.743632	1.345486	1.283165	1.178581	0.21	0.11	0.04	1.30	0.84	1,895.56	0.044%
2021	129,249	0.000043	0.000046	1.586679	1.545443	1.397278	1.743001	1.344855	1.282534	1.177950	0.09	0.04	0.01	0.50	0.04	1,894.76	0.002%
2022	129,249	0.000043	0.000046	1.586679	1.545443	1.397278	1.743001	1.344855	1.282534	1.177950	0.09	0.04	0.01	0.50	0.04	1,894.76	0.002%
From Attachment 7D Col 16			Col 1 / Therm Sales	Current Class Avg Rate + Col 3 for Each Rate Class (Col 4 thru Col 10)							(Cur. gRRC + Col 3) * Dec-Mar Monthly Therms Rnd 2	(Cur. gRRC + Col 3) * Nov & Apr Monthly Therms Rnd 2	(Cur. gRRC + Col 3) * May-Oct Monthly Therms Rnd 2	(4 * Col 11) + (2 * Col 12) + (6 * Col 13) [See Note 2 for 2009]	Col 14 - Current Col 14	Current Col 16 + Col 15	Col 15 / Current Col 16

  

% Change from Current Class Average Rate w/SUT							
	RSG	GSG	LVG	SLG	TSG-F	TSG-NF	CIG
2009	0.145%	0.148%	0.164%	0.132%	0.171%	0.179%	0.195%
2010	0.145%	0.148%	0.164%	0.132%	0.171%	0.179%	0.195%
2011	0.133%	0.137%	0.151%	0.121%	0.157%	0.165%	0.179%
2012	0.135%	0.138%	0.153%	0.122%	0.159%	0.166%	0.181%
2013	0.148%	0.152%	0.168%	0.134%	0.174%	0.183%	0.199%
2014	0.146%	0.150%	0.165%	0.133%	0.172%	0.180%	0.196%
2015	0.139%	0.142%	0.157%	0.126%	0.164%	0.171%	0.187%
2016	0.137%	0.141%	0.155%	0.125%	0.162%	0.169%	0.184%
2017	0.134%	0.137%	0.152%	0.122%	0.158%	0.166%	0.180%
2018	0.126%	0.130%	0.143%	0.115%	0.149%	0.156%	0.170%
2019	0.110%	0.113%	0.125%	0.100%	0.130%	0.136%	0.148%
2020	0.043%	0.044%	0.048%	0.039%	0.050%	0.053%	0.057%
2021	0.003%	0.003%	0.003%	0.003%	0.003%	0.004%	0.004%
2022	0.003%	0.003%	0.003%	0.003%	0.003%	0.004%	0.004%

<sup>1</sup>All customers assumed to have BGSS Supply  
<sup>2</sup>Initial Rate period is April 2009 to December 2010 for EEESC

**PSE&G Economic Energy Efficiency Stimulus Program  
Cumulative Rate Impact Analysis - Solar Program Recovery Charge (SPRC) & Electric RGGI Recovery Charge (RRC)**

**Rate Calculations**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	Solar Revenue Requirement (\$)	Carrying Charge on deferred balance (\$)	SPRC Revenue Requirement (\$)	SPRC w/o SUT (\$/kWh)	SPRC Revenue (\$)	SPRC Balance EOY Under/(Over) (\$)	Electric Carbon Abatement Revenue Requirement (\$)	Electric Carbon Abatement Component w/o SUT (\$/kWh)	Electric EEESC Revenue Requirement (\$)	Electric EEESC w/o SUT (\$/kWh)	SPRC + Electric RRC w/o SUT (\$/kWh)
2008	426,894	15,674	442,568			442,568					
Jan-Mar 2009				0.000000				0.000020			0.000020
Apr-Dec-2009				0.000000				0.000020	6,216,047	0.000332	0.000352
2009	2,911,704	124,620	3,478,891	0.000000	0	3,478,891	899,056	0.000020	6,216,047		
2010	3,288,527	353,591	7,121,009	0.000159	(7,126,945)	(5,936)	1,351,696	0.000030	19,973,365	0.000332	0.000521
2011	1,336,695	301,579	1,632,338	0.000036	(1,613,648)	18,690	1,626,807	0.000036	16,105,137	0.000359	0.000431
2012	1,304,832	264,369	1,587,892	0.000035	(1,568,824)	19,068	2,112,074	0.000047	17,631,654	0.000393	0.000475
2013	1,265,759	229,168	1,513,995	0.000034	(1,524,001)	(10,006)	2,173,828	0.000048	19,865,269	0.000443	0.000525
	From Solar Rev. Req Calc+ Prev Col E	From Solar Rev. Req Calc	Col A + Col B + Prev Col E	[Annual kWh Sales] (Rnd to 6 dec.)	=Col D * [Annual kWh Sales]	Col C + Col E	CA Sched SS-3 (Rev) Col 15	Col G / [Annual kWh Sales] (Rnd to 6 dec.)	Attach 7F Col 1	Col I / [Annual kWh Sales] (Rnd to 6 dec.)	Col D + Col H + Col J
	44,823,552 Annual kWh Sales (000)										

**Rate Impact Analysis**

7% SUT Rate

6,960 Typ RS kWh / yr.  
722 Typ RS kWh / Summer Month  
509 Typ RS kWh / Winter Month

0.000021 Current electric RRC (\$/kWh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)				
Class Average Rate w/SUT - \$/kWh <sup>1</sup>														Typical RS SPRC + RRC (\$)			% Change					
SPRC w/ SUT (\$/kWh)	Electric RRC w/ SUT (\$/kWh)	SPRC + Electric RRC w/o SUT (\$/kWh)	SPRC + Electric RRC w/ SUT (\$/kWh)	RS	RHS	RLM	GLP	LPL-S (0-749)	LPL-S (750-999)	LPL-S (1,000+)	LPL-P	HTS-S	HTS-HV	Summer Monthly Bill	Winter Monthly Bill	Annual Bill	RS Typical Annual Bill (\$)	% Change in RS Typical Annual Bill				
<b>Current less Electric RRC (Carbon Abatement)</b>				0.183053	0.161062	0.171588	0.176092	0.154720	0.157599	0.161942	0.152940	0.144572	0.136224	-	-	-	1,269.12					
2009 <sup>2</sup>	0.000000	0.000377	0.000352	0.183430	0.161439	0.171965	0.176469	0.155097	0.157976	0.162319	0.153317	0.144949	0.136601	0.27	0.19	2.60	1,271.72	0.205%				
2010	0.000170	0.000387	0.000521	0.183610	0.161619	0.172145	0.176649	0.155277	0.158156	0.162499	0.153497	0.145129	0.136781	0.40	0.29	3.92	1,273.04	0.309%				
2011	0.000039	0.000423	0.000431	0.183514	0.161523	0.172049	0.176553	0.155181	0.158060	0.162403	0.153401	0.145033	0.136685	0.34	0.24	3.28	1,272.40	0.258%				
2012	0.000037	0.000471	0.000475	0.183561	0.161570	0.172096	0.176600	0.155228	0.158107	0.162450	0.153448	0.145080	0.136732	0.37	0.26	3.56	1,272.68	0.281%				
2013	0.000036	0.000525	0.000525	0.183615	0.161624	0.172150	0.176654	0.155282	0.158161	0.162504	0.153502	0.145134	0.136786	0.41	0.29	3.96	1,273.08	0.312%				
	From Col D above * (1+SUT Rate) Rnd 6	From Col H + Col J above * (1+SUT Rate) Rnd 6	From Col K above	[Current Class Avg Rate - Cur Elec RRC] + Col 4 for Each Rate Class (Col 5 thru Col 14)														Col 1 * Sum Mo kWh Rnd 2 + Col 2 * Sum Mo kWh Rnd 2	Col 1 * Win Mo kWh Rnd 2 + Col 2 * Win Mo kWh Rnd 2	(4 * Col 15) + (8 * Col 16)	Current Col 17 + Col 17	Col 17 / Current Col 18
<b>% Change from Current Class Average Rate w/SUT</b>																						
				RS	RHS	RLM	GLP	LPL-S (0-749)	LPL-S (750-999)	LPL-S (1,000+)	LPL-P	HTS-S	HTS-HV									
2009				0.206%	0.234%	0.220%	0.214%	0.244%	0.239%	0.233%	0.247%	0.261%	0.277%									
2010				0.304%	0.346%	0.325%	0.316%	0.360%	0.353%	0.344%	0.364%	0.385%	0.409%									
2011				0.252%	0.286%	0.269%	0.262%	0.298%	0.293%	0.285%	0.301%	0.319%	0.338%									
2012				0.278%	0.315%	0.296%	0.288%	0.328%	0.322%	0.314%	0.332%	0.351%	0.373%									
2013				0.307%	0.349%	0.328%	0.319%	0.363%	0.357%	0.347%	0.367%	0.389%	0.413%									

<sup>1</sup>All customers assumed to have BGS Supply  
<sup>2</sup>Annual Rate Impacts as of April 1st each year

**PSE&G Economic Energy Efficiency Stimulus Program  
Cumulative Rate Impact Analysis - Gas RGGI Recovery Charge (RRC)**

	(A)	(B)	(C)	(D)
	<u>Gas Carbon Abatement Revenue Requirement (\$)</u>	<u>Gas Carbon Abatement Component w/o SUT (\$/kWh)</u>	<u>Gas EEESC w/o SUT (\$/therm)</u>	<u>Gas RRC w/o SUT (\$/therm)</u>
2009 <sup>2</sup>	1,151,639	0.000359	0.002144	0.002503
2010 <sup>2</sup>	2,138,320	0.000718	0.002144	0.002862
2011	2,936,542	0.000986	0.001976	0.002962
2012	4,044,898	0.001358	0.001995	0.003353
2013	4,136,065	0.001389	0.002191	0.003580
	CA Sched SS-3 (Rev) Col 15	Col G / [Annual Therm Sales] (Rnd to 6 dec.)	From Attachemt 7G Col 2	Col B + Col C

7% SUT Rate  
2,978,061 Therm Sales (000) Annual  
1,723,602 Therm Sales (000) Apr-Dec

1,210 Typical RSG Therms / yr.  
0.000384 Current gas RRC (\$/kWh)  
200 103 34 Monthly Therms  
4 2 6 # of Months/year

	(1)	(2)	(3)	(4) (5) (6) (7) (8)					(9) (10) (11) (12)				(13)	(14)			
				Class Average Rate w/SUT - \$/therm <sup>1</sup>								Typical RSG RRC (\$)					
				<u>Gas RRC w/ SUT (\$/therm)</u>	<u>RSG</u>	<u>GSG</u>	<u>LVG</u>	<u>SLG</u>	<u>TSG-F</u>	<u>TSG-NF</u>	<u>CIG</u>	<u>Dec-Mar Monthly Bill</u>			<u>Nov &amp; Apr Monthly Bill</u>	<u>May-Oct Monthly Bill</u>	<u>Annual Bill</u>
<b>Current less Gas RRC (Carbon Abatement)</b>		1.586249	1.545013	1.396848	1.742571	1.344425	1.282104	1.177520				-	1,894.26				
2009 <sup>2</sup>	0.002678	1.588927	1.547691	1.399526	1.745249	1.347103	1.284782	1.180198	0.54	0.28	0.09	3.26	1,897.52	0.172%			
2010 <sup>2</sup>	0.003062	1.589311	1.548075	1.399910	1.745633	1.347487	1.285166	1.180582	0.61	0.32	0.10	3.68	1,897.94	0.194%			
2011	0.003169	1.589418	1.548182	1.400017	1.745740	1.347594	1.285273	1.180689	0.63	0.33	0.11	3.84	1,898.10	0.203%			
2012	0.003588	1.589837	1.548601	1.400436	1.746159	1.348013	1.285692	1.181108	0.72	0.37	0.12	4.34	1,898.60	0.229%			
2013	0.003831	1.590080	1.548844	1.400679	1.746402	1.348256	1.285935	1.181351	0.77	0.39	0.13	4.64	1,898.90	0.245%			
Col D * (1 + SUT Rate) Rnd 6		[Current Class Avg Rate - Current Gas RRC] + Col 1 for Each Rate Class (Col 2 thru Col 8)							Col 1 * Dec-Mar Monthly Therms Rnd 2	Col 1 * Nov & Apr Monthly Therms Rnd 2	Col 1 * May-Oct Monthly Therms Rnd 2	(4 * Col 9) + (2 * Col 10) + (6 * Col 11)	Current Col 12 + Col 13	Col 12 / Current Col 13			

	% Change from Current Class Average Rate w/SUT						
	<u>RSG</u>	<u>GSG</u>	<u>LVG</u>	<u>SLG</u>	<u>TSG-F</u>	<u>TSG-NF</u>	<u>CIG</u>
2009	0.169%	0.173%	0.192%	0.154%	0.199%	0.209%	0.227%
2010	0.193%	0.198%	0.219%	0.176%	0.228%	0.239%	0.260%
2011	0.200%	0.205%	0.227%	0.182%	0.236%	0.247%	0.269%
2012	0.226%	0.232%	0.257%	0.206%	0.267%	0.280%	0.305%
2013	0.242%	0.248%	0.274%	0.220%	0.285%	0.299%	0.325%

<sup>1</sup>All customers assumed to have BGSS Supply

<sup>2</sup>Annual Rate Impacts as of April 1st each year

Therm Sales (000) Annual used for 2009 Carbon Abatement Rate 3,205,881

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 64C

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

Superseding

XXX Revised Sheet No. 64C

**RGGI RECOVERY CHARGE**

**Charge  
(cents per kilowatthour)**

**Component:**

Carbon Abatement Program .....	0.0020
Economic Energy Efficiency Stimulus Program.....	<u>0.0332</u>
Sub-total per kilowatthour .....	<u>0.0352</u>

Charge including New Jersey Sales and Use Tax (SUT).....	0.0377
--	--------

**RGGI RECOVERY CHARGE**

This charge is designed to recover the revenue requirements associated with PSE&G Regional Greenhouse Gas Initiative (RGGI) programs. The charge will be reset nominally on an annual basis. For the Carbon Abatement Program, 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. For the Economic Energy Efficiency Stimulus Program, interest will be accrued monthly on any under- or over- recovered balances based on PSE&G Weighted Average Cost of Capital.

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.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 46

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

Superseding

XXX Revised Sheet No. 46

**RGGI RECOVERY CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG,  
TSG-F, TSG-NF, CIG  
(per Therm)**

**Component:**

Carbon Abatement Program .....	0.0359 ¢
Economic Energy Efficiency Stimulus Program.....	<u>0.2144</u> ¢
RGGI Recovery Charge .....	0.2503 ¢
RGGI Recovery Charge including New Jersey Sales and Use Tax (SUT) .....	<u>0.2678</u> ¢

RGGI Recovery Charge

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) programs. The charge will be reset nominally on an annual basis. For the Carbon Abatement Program, 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. For the Economic Energy Efficiency Stimulus Program, interest will be accrued monthly on any under- or over- recovered balances based on PSE&G Weighted Average Cost of Capital.

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

XXX Revised Sheet No. 64C

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

Superseding  
XXX Revised Original Sheet No. 64C

**RGGI RECOVERY CHARGE**

**Charge**  
**(cents per kilowatthour)**

**Component:**

Carbon Abatement Program ..... .0020

Economic Energy Efficiency Stimulus Program..... .0.0332

Sub-total per kilowatthour .....0.03520.0020

Charge including New Jersey Sales and Use Tax (SUT).....0.03770.0024

**RGGI RECOVERY CHARGE**

This charge is designed to recover the revenue requirements associated with ~~the~~ PSE&G Regional Greenhouse Gas Initiative (RGGI) pPrograms, per the Board Order in Docket No. E008030164. The charge will be reset nominally on an annual basis. For the Carbon Abatement Program, 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. For the Economic Energy Efficiency Stimulus Program, interest will be accrued monthly on any under- or over- recovered balances based on PSE&G Weighted Average Cost of Capital.

Date of Issue: December 19, 2008

Effective: January 1, 2009

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 December 16, 2008  
in Docket No. E008060426

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

~~XXX~~First Revised Sheet No. 46  
Superseding

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

~~XXX Revised~~Original Sheet No. 46

**RGGI RECOVERY CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG,  
TSG-F, TSG-NF, CIG  
(per Therm)**

**Component:**

Carbon Abatement Program .....	.0.0359 ¢
<u>Economic Energy Efficiency Stimulus Program.....</u>	<u>.0.2144 ¢</u>
RGGI Recovery Charge .....	<u>0.25030-0359 ¢</u>
RGGI Recovery Charge including New Jersey Sales and Use Tax (SUT) .....	<u>0.26780-0384 ¢</u>

RGGI Recovery Charge

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) ~~p~~Programs. ~~per the Board Order in Docket No. E008030164.~~ The charge will be reset nominally on an annual basis. For the Carbon Abatement Program, 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. For the Economic Energy Efficiency Stimulus Program, interest will be accrued monthly on any under- or over- recovered balances based on PSE&G Weighted Average Cost of Capital.

Date of Issue: ~~December 19, 2008~~

Effective: ~~January 1, 2009~~

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel  
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Orders of Board of Public Utilities dated ~~December 16, 2008~~  
in Docket No. ~~E008060426~~

## TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The initial effect of the proposed change for the Economic Energy Efficiency Stimulus Program component of the electric RGGI Recovery Charge on typical residential electric bills, if approved by the Board, is illustrated below:

<b>Residential Electric Service</b>					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
170	1,800	\$347.76	\$348.40	\$0.64	0.18%
360	3,600	666.96	668.20	1.24	0.19
722	6,960	1,269.28	1,271.72	2.44	0.19
803	7,800	1,422.54	1,425.32	2.78	0.20
1,250	12,000	2,191.72	2,195.96	4.24	0.19

(1) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect January 1, 2009 and assumes that the customer receives BGS-FP service from Public Service.

(2) Same as (1) except includes the change for the Economic Energy Efficiency Stimulus Program component of the RGGI Recovery Charge.

<b>Residential Electric Service</b>					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,800	170	\$33.16	\$33.22	\$0.06	0.18%
3,600	360	67.50	67.63	0.13	0.19
6,960	722	134.62	134.87	0.25	0.19
7,800	803	150.38	150.66	0.28	0.19
12,000	1,250	237.31	237.75	0.44	0.19

(3) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect January 1, 2009 and assumes that the customer receives BGS-FP service from Public Service.

(4) Same as (3) except includes the change for the Economic Energy Efficiency Stimulus Program component of the RGGI Recovery Charge.

## TYPICAL RESIDENTIAL GAS BILL IMPACTS

The initial effect of the proposed change for the Economic Energy Efficiency Stimulus Program component of the gas RGGI Recovery Charge on typical residential gas bills, if approved by the Board, is illustrated below:

<b>Residential Gas Service</b>					
If Your Monthly Winter Therm Use Is:	And Your Annual Therm Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
25	222	\$396.72	\$397.22	\$0.50	0.13%
50	444	723.14	724.12	0.98	0.14
100	606	983.94	985.34	1.40	0.14
159	1,000	1,577.43	1,579.72	2.29	0.15
199	1,200	1,880.32	1,883.08	2.76	0.15
200	1,210	1,894.72	1,897.52	2.80	0.15
300	1,816	2,808.50	2,812.66	4.16	0.15

(1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2009 and assumes that the customer receives commodity service from Public Service.

(2) Same as (1) except includes the change for the Economic Energy Efficiency Stimulus Program component of the RGGI Recovery Charge.

<b>Residential Gas Service</b>					
If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
222	25	\$43.14	\$43.20	\$0.06	0.14%
444	50	80.44	80.55	0.11	0.14
606	100	158.78	159.01	0.23	0.14
1,200	199	310.29	310.74	0.45	0.15
1,210	200	311.74	312.20	0.46	0.15
1,816	300	464.68	465.36	0.68	0.15

(3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2009 and assumes that the customer receives commodity service from Public Service.

(4) Same as (3) except includes the change for the Economic Energy Efficiency Stimulus Program component of the RGGI Recovery Charge.