



Agenda Date: 12/17/09
Agenda Item: 2L

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

ENERGY

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF CHANGES IN)
ITS ELECTRIC AND GAS REGIONAL)
GREENHOUSE GAS RECOVERY CHARGE)
(RGGI) FOR THE CARBON ABATEMENT)
PROGRAM; FOR A MODIFICATION TO THE)
CARBON ABATEMENT PROGRAM; AND FOR)
CHANGES IN THE TARIFF FOR ELECTRIC)
SERVICE B.P.U.N.J. NO 14 ELECTRIC AND)
CHANGES IN TARIFF FOR GAS SERVICE)
B.P.U.N.J. NO. 14 GAS PURSUANT TO)
N.J.S.A. 48:3-98.1)

DECISION AND ORDER

BPU DOCKET NO. ER09100824

(SERVICE LIST ATTACHED)

APPEARANCES:

Andrew Dembia, Assistant Corporate Rate Counsel, for the Petitioner, Public Service Electric and Gas Company

Paul E. Flanagan, Esq., Felicia Thomas-Friel, Esq., Sarah H. Steindel, Esq., Kurt Lewandowski, Esq., Esq., Department of the Public Advocate, Division of Rate Counsel (Ronald K. Chen, Esq., Public Advocate, Stefanie A. Brand, Esq., Director)

Jessica Campbell, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Anne Milgram, Attorney General of New Jersey)

BY THE BOARD:

On October 1, 2009, Public Service Electric and Gas Company ("PSE&G," "Company," or "Petitioner") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting approval for increases in that portion of its electric and gas Regional Greenhouse Gas Recovery ("RGGI") Charge ("RRC") effective January 1, 2010 attributable to the Carbon Abatement Program ("Program"). The petition also sought approval to modify certain aspects of the Program and transfer administration funds between sub-programs. By this Decision and Order, the Board considers a Stipulation for Provisional Rates ("Stipulation") entered into by PSE&G, the New Jersey Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"),

and Board Staff ("Staff") (collectively, the "Parties"), requesting that the Board approve increases in the electric and gas RRC on a provisional basis, subject to refund.

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law by Governor Corzine based on the New Jersey Legislature's findings that energy efficiency and conservation measures must be essential elements of the State's energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1 (a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the New Jersey Board of Public Utilities ("Board"), including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program cost investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board.

By Order dated December 16, 2008¹, the Board authorized PSE&G to invest \$45.9 million in the Program ("December 16 Order"). The Program has five sub-programs:

- Residential Whole House Efficiency Sub-Program
- Residential Programmable Thermostat Installation Sub-Program
- Small Business Direct Install Sub-Program
- Large Business Best Practices and Technology Demonstration Pilot Sub-Program
- Hospital Efficiency Sub-Program

Under the terms of the December 16 Order, PSE&G is required to make annual filings by October 1st of each year to set forth a calculation of the electric and gas recovery charges for estimated revenue requirements for the subsequent year plus the over/under deferred balance for the current year for the Program ("Annual Filing"). In addition, the December 16 Order states that the charges proposed in the Annual Filings will go into effect provisionally or as final rates, on January 1st of the subsequent year, upon issuance of a Board Order authorizing these provisional or final rates.

COMPANY FILING

On October 1, 2009 PSE&G filed the Annual Filing and accompanying exhibits, including pre-filed direct testimony of Elaine Bryant, Manager, Market Strategy and Planning in the Renewables and Energy Solutions Group at PSE&G. According to the Annual Filing, the rates proposed for PSE&G's electric and gas components of the RRC for the period January 1, 2010 through December 31, 2010 are designed to recover approximately \$3.9 million in revenue on an annual basis for the Program. Based on the Company's actual collections through August

¹ In the Matter of the Petition of Public Service Electric and Gas Company Offering a Carbon Abatement 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. EO08060426, Order Dated December 16, 2008.

31, 2009, and its projected collections through December 31, 2009, the RRC is expected to be under-collected by \$39.3 thousand, including interest. The resultant net annual revenue impact on the Company's electric and gas customers is a \$1.9 million increase.

After notice in newspapers in general circulation within the service territory, public hearings were held on December 14, 2009 in Hackensack, December 15, 2009 in Mount Holly and will be held on December 21, 2009 in New Brunswick.

STIPULATION FOR PROVISIONAL RATES

Because the Company's Annual Filing will not be updated with actual revenues and expenses for 2009 until after the proposed effective date of January 1, 2010, and additional time is needed to complete the review of the proposed rates to ensure that the costs are adequately explained, reconciled and addressed, and the annual RRC rates for the Program are reasonable, the Parties entered into a Stipulation for provisional rates for the Program components of the electric and gas RRCs.

The Stipulation provides the following²:

- The Company's Carbon Abatement Program Component of its RRC shall be provisionally increased as set forth in the attached tariff sheets. These changes to the Carbon Abatement components of the gas and electric RRCs are effective on a provisional basis, subject to refund with interest calculated as required by the December 16th, 2008 Carbon Abatement Board Order, to be effective on January 1, 2010 or the date of the Board Order approving the Provisional Stipulation, whichever is later, provided that all public hearings have been held as required by law. The proposed program changes, claimed costs, and proposed annual RRC rates will be subject to review for reasonableness and prudence, with an opportunity for discovery, comments and an evidentiary hearing, if necessary, prior to the issuance of a final Board Order.
- The annual impact to the electric Carbon Abatement Program Component of the RRC would increase the Company's electric Carbon Abatement Program rate from 0.0021 cents per kWh (including Sales and Use Tax, hereinafter "SUT") to 0.0042 cents per kWh (including SUT). This would increase the Company's electric RRC rate from 0.0699 cents per kWh (including SUT) to 0.0719 cents per kWh (including SUT) for the period January 1, 2010 through December 31, 2010. The proposed change in the gas Carbon Abatement Program Component of the RRC would increase the Company's gas Carbon Abatement Program rate from 0.0384 cents per therm (including SUT) to 0.0782 cents per therm (including SUT). This would increase the Company's gas RRC rate from 0.2941 cents per therm (including SUT) to 0.3339 cents per therm (including SUT) for the same period.
- The Company will continue its previously-approved sub-program activities under Carbon Abatement Program and will not effectuate its proposed program changes nor will the Company expand the geographic scope of its Thermostat Sub-Program until a decision is rendered by the Board with respect to the program changes and expansion of scope proposed by the Company.

² Although described in this Order, should there be any conflict between this summary and the Joint Position, the terms of the Joint Position control, subject to the findings and conclusions contained in this Order.

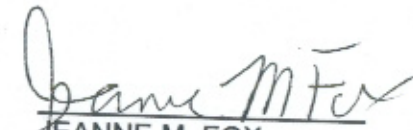
DISCUSSION AND FINDING

The Board has carefully reviewed the record to date in this proceeding and the attached Stipulation of the Parties. The Board **FINDS** that, subject to the terms and conditions set forth below, the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein. The Board **HEREBY APPROVES**, on a provisional basis, subject to refund with interest on any net over-recovered balance, calculated as required by the December 16 Board Order, an increase of the Carbon Abatement component of the electric RRC to 0.0042 cents per kWh including taxes and an increase of the Carbon Abatement component of the gas RRC to 0.0782 cents per therm including taxes. A residential electric customer using 722 kWh per summer months and 6,960 kWh on an annual basis would see an increase in the annual bill from \$1,282.80 to \$1,282.96, or \$0.16, or approximately 0.01%. A residential heating customer using 200 therms per month during the winter months and 1210 therms on an annual basis would see an increase in the annual bill from \$1,637.86 to \$1,638.32, or \$0.46, or approximately 0.03%. This change shall become effective as of January 1, 2010 or the day after the last public hearing, whichever is later.

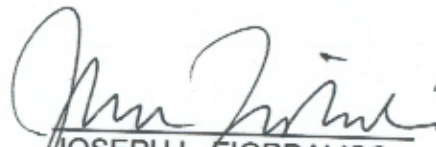
The Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation within five (5) days of this Board Order.

DATED: 12/17/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



Andrew K. Dembia
Assistant General Corporate Rate Counsel

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December 16, 2009

In the Matter of the Petition of
Public Service Electric and Gas Company For Approval Of:
Changes In It Electric And Gas Regional Greenhouse Gas Recovery
Charges (RGGI) For The Carbon Abatement Program; For A
Modification To The Carbon Abatement Program; And For
Changes In The Tariff For Electric Service B.P.U.N.J. No. 14
Electric And Changes In The Tariff
For Gas Service B.P.U.N.J. No. 14 Gas Pursuant To N.J.S.A. 48:3-98.1

BPU Docket No. ER09100824

VIA ELECTRONIC MAIL & HAND DELIVERY

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 Stipulation For Provisional Rates in the above-referenced matter which has been executed by Public Service Electric and Gas Company, the Department of the Public Advocate, Division of Rate Counsel and the Office of the Attorney General on behalf of the Board of Public Utilities' Staff. It is the understanding of Public Service that this Stipulation For Provisional Rates will be considered by the Board at the BPU's Agenda meeting scheduled for December 17, 2009.

Respectfully submitted,

Original Signed by
Andrew K. Dembia, Esq.

C Attached Service List (E-mail and regular mail)

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY OF CHANGES IN ITS)
ELECTRIC AND GAS REGIONAL)
GREENHOUSE GAS RECOVERY CHARGE)
(RGGI) FOR THE CARBON ABATEMENT)
PROGRAM; FOR A MODIFICATION TO)
THE CARBON ABATEMENT PROGRAM;)
AND FOR CHANGES IN ITS TARIFF FOR)
ELECTRIC SERVICE, B.P.U.N.J. No. 14)
ELECTRIC AND CHANGES IN ITS TARIFF)
FOR GAS SERVICE B.P.U.N.J. No. 14 GAS)
PURSUANT TO N.J.S.A. 48:2-21 *et seq.*)

STIPULATION FOR
PROVISIONAL RATES

BPU Docket No.ER09100824

APPEARANCES:

Frances I. Sundheim, Esq., Vice President and Corporate Rate Counsel; Andrew K. Dembia, Esq., Assistant Corporate Rate Counsel for the Petitioner, Public Service Electric and Gas Company

Felicia Thomas-Friel, Esq., Deputy Public Advocate, and Kurt S. Lewandowski, Esq. and Sarah H. Steindel, Esq., Assistant Deputy Public Advocates, for the Department of the Public Advocate, Division of Rate Counsel (Ronald K. Chen, Esq., Public Advocate, Stefanie A. Brand, Esq., Director)

Jessica L. Campbell, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Anne Milgram, Attorney General of New Jersey)

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

On October 1, 2009, Public Service Electric and Gas Company ("Public Service" or "the Company") made a filing in the above-referenced matter, requesting revenue of approximately \$3.9 million on an annual basis. Compared to the Company's

existing Board approved RGGI Recovery Charge ("RRC") the resultant total net annual revenue impact on the Company's electric and gas customers is a \$1.9 million increase.

Notice setting forth the Company's October 1, 2009 request for an increase in its RRC rates, including the date, time and place of the public hearing, was placed in newspapers having a circulation within the Company's gas and electric service territory and was served on the county executives and clerks of all municipalities within the Company's gas and electric service territory.

Public hearings are scheduled and will be conducted in Hackensack, Mt. Holly, and New Brunswick on December 14, 15, and 21, 2009 at 3:30 p.m. and 5:30 p.m., respectively.

Public Service, Board Staff, and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties") have determined that because the Company's Annual Filing will not be updated with actual revenues and expenses for 2009 until after the proposed effective date of January 1, 2010, and because additional time is needed to complete the review of the proposed rates and program changes to ensure that the costs are adequately explained, reconciled and addressed, and the annual RRC rates for the program are reasonable, the Parties have agreed to the implementation of provisional RRC rates, subject to refund with interest calculated as required by the December 16th, 2008 Carbon Abatement Board Order, to be effective the later of January 1, 2010 or the day after the last public hearing is held as required by law. The Parties also agree that a change in the Company's Carbon Abatement Program

Component of the RRCs, on a provisional basis, is reasonable at this time and HEREBY AGREE as follows:

The Company's Carbon Abatement Program Component of its RRC shall be provisionally increased as set forth in the attached tariff sheets. These changes to the Carbon Abatement components of the gas and electric RRCs are effective on a provisional basis, subject to refund with interest calculated as required by the December 16th, 2008 Carbon Abatement Board Order, to be effective on January 1, 2010 or the date of the Board Order approving this Provisional Stipulation, whichever is later, provided that all public hearings have been held as required by law. The proposed program changes, claimed costs, and proposed annual RRC rates will be subject to review for reasonableness and prudence, with an opportunity for discovery, comments and an evidentiary hearing, if necessary, prior to the issuance of a final Board Order.

The annual impact to the electric Carbon Abatement Program Component of the RRC would increase the Company's electric Carbon Abatement Program rate from 0.0021 cents per kWh (including Sales and Use Tax, hereinafter "SUT") to 0.0042 cents per kWh (including SUT). This would increase the Company's electric RRC rate from 0.0699 cents per kWh (including SUT) to 0.0719 cents per kWh (including SUT) for the period January 1, 2010 through December 31, 2010. The proposed change in the gas Carbon Abatement Program Component of the RRC would increase the Company's gas Carbon Abatement Program rate from 0.0384 cents per therm (including SUT) to 0.0782 cents per therm (including SUT). This would increase the Company's gas RRC rate from 0.2941 cents per therm (including SUT) to 0.3339 cents per therm (including SUT) for

the same period. Public Service has proposed tariff sheets, effective January 1, 2010, reflecting the RRCs in both the Electric Tariff and the Gas Tariff and are set forth in Appendix A attached hereto. The new electric charge set forth in Appendix A will result in Public Service's class average residential electric customer using 722 kWhrs in a summer month and 6,960 kWhrs annually an increase in their annual bill from \$1,282.80 to \$1,282.96, or \$0.16, or approximately 0.01%. The new gas charge set forth in Appendix A will result in Public Service's class average residential gas heating customer using 200 therms in a winter month and 1,210 therms annually an increase in their annual bill from \$1,637.86 to \$1,638.32, or \$0.46, or approximately 0.03%.

The Company will continue its previously-approved sub-program activities under Carbon Abatement Program and will not effectuate its proposed program changes nor will the Company expand the geographic scope of its Thermostat Sub-Program until a decision is rendered by the Board with respect to the program changes and expansion of scope proposed by the Company.

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

The undersigned parties further HEREBY AGREE that this Provisional Settlement has been made exclusively for the purpose of this proceeding and that this Provisional Settlement, in total or specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

BY:


Andrew Dembia, Esq.

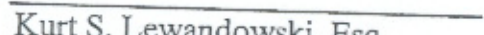
DATED:

12/16/09

RONALD K. CHEN
PUBLIC ADVOCATE OF
NEW JERSEY

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

BY:


Kurt S. Lewandowski, Esq.
Assistant Deputy Public Advocate

DATED:

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

BY:


Jessica L. Campbell, DAG

DATED:

The undersigned parties further HEREBY AGREE that this Provisional Settlement has been made exclusively for the purpose of this proceeding and that this Provisional Settlement, in total or specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

RONALD K. CHEN
PUBLIC ADVOCATE OF
NEW JERSEY

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

BY: Andrew K Dembia
Andrew Dembia, Esq.

BY: Kurt S. Lewandowski
Kurt S. Lewandowski, Esq.
Assistant Deputy Public Advocate

DATED: 12/16/09

DATED: 12/16/09

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

BY: _____
Jessica L. Campbell, DAG

DATED: _____

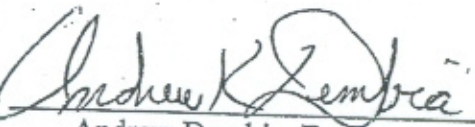
The undersigned parties further HEREBY AGREE that this Provisional Settlement has been made exclusively for the purpose of this proceeding and that this Provisional Settlement, in total or specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

RONALD K. CHEN
PUBLIC ADVOCATE OF
NEW JERSEY

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

BY:


Andrew Dembia, Esq.

BY:


Kurt S. Lewandowski, Esq.
Assistant Deputy Public Advocate

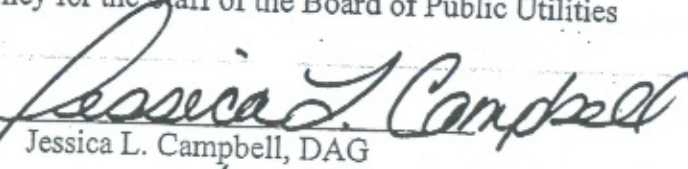
DATED:

12/16/09

DATED: _____

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

BY:


Jessica L. Campbell, DAG

DATED:

12/16/2009

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

XXX Revised Sheet No. 64C

Superseding

XXX Revised Sheet No. 64C

RGGI RECOVERY CHARGE

Charge
(cents per kilowatthour)

Component:

Carbon Abatement Program	0.0039	0.0020
Demand Response Working Group Modified Program	0.0000	
Energy Efficiency Economic Stimulus Program	0.0350	
Demand Response Program	0.0067	
Solar Generation Investment Program	0.0177	
Solar Loan II Program	0.0039	
Sub-total per kilowatthour	0.0672	0.0663

Charge including New Jersey Sales and Use Tax (SUT)	0.0719	0.0699
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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 Demand Response Working Group Modified Program, interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances. For all other programs, 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 rates shall be reset each month.

Date of Issue:

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
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
B.P.U.N.J. No. 14 ELECTRIC

XXX Revised Sheet No. 64C
Superseding
XXX Revised Sheet No. 64C

RGGI RECOVERY CHARGE

Charge
(cents per kilowatthour)

Component:	
Carbon Abatement Program	0.0039 0.0020
Demand Response Working Group Modified Program	0.0000
Energy Efficiency Economic Stimulus Program	0.0350
Demand Response Program	0.0067
Solar Generation Investment Program	0.0177
Solar Loan II Program	0.0039
Sub-total per kilowatthour	0.0672 0.0653
Charge including New Jersey Sales and Use Tax (SUT)	0.0719 0.0699

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 Demand Response Working Group Modified Program, interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances. For all other programs, 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 rates shall be reset each month.

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XXX Revised Sheet No. 64C
Superseding
XXX Revised Sheet No. 64C

RGGI RECOVERY CHARGE

Charge
(cents per kilowatthour)

Component:	
Carbon Abatement Program.....	0.0039
Demand Response Working Group Modified Program.....	0.0000
Energy Efficiency Economic Stimulus Program.....	0.0350
Demand Response Program.....	0.0067
Solar Generation Investment Program.....	0.0177
Solar Loan II Program.....	0.0039
Sub-total per kilowatthour.....	0.0672
Charge including New Jersey Sales and Use Tax (SUT).....	0.0719

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 Demand Response Working Group Modified Program, interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances. For all other programs, 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 rates shall be reset each month.

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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

XXX Revised Sheet No. 46
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.....	0.0731	0.0359 ¢
Energy Efficiency Economic Stimulus Program.....		0.2390 ¢
RGGI Recovery Charge.....	0.3121	0.2749 ¢
RGGI Recovery Charge including New Jersey Sales and Use Tax (SUT)	0.3339	0.2941 ¢

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

Date of Issue:

Issued by 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
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	0.0731 ¢
Energy Efficiency Economic Stimulus Program	0.2390 ¢
RGGI Recovery Charge	0.3121 ¢
RGGI Recovery Charge including New Jersey Sales and Use Tax (SUT)	0.3339 ¢

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

Date of Issue:

Issued by 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
in Docket No.

Effective:

I/M/O the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Regional Greenhouse Gas Recovery Charge (RGGI) for the Carbon Abatement Program; for a Modification to the Carbon Abatement Program; and for Changes in the Tariff for Electric Service B.P.U.N.J. No 14 Electric and Changes in the Tariff for Gas Service B.P.U.N.J. No 14 Gas Pursuant to N.J.S.A. 48:3-98.1
BPU Docket No. ER09100824

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