



January 21, 2009

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

BPU Docket No. \_\_\_\_\_

***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 Petition and accompanying Attachments of Public Service Electric and Gas Company (PSE&G, the Company, Petitioner) in the above-entitled matter. The Company is also providing BPU Staff with an electronic copy of the filing.

Public Service also respectfully requests that the Board retain jurisdiction of this matter and not transfer the filing to the Office of Administrative Law. Within the Petition, PSE&G has proposed a procedural schedule that will allow the Board to consider this filing and issue a Final Order in time for an April 1, 2009 implementation date.

Copies of the Petition (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

**BPU**

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

Mark Beyer, Chief Economist  
Board of Public Utilities  
Office of the Economist  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-3414  
FAX: (973) 648-4410  
mark.beyer@bpu.state.nj.us

Victor Fortkiewicz, Executive Director  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-4852  
FAX: (973) 648-2409  
victor.fortkiewicz@bpu.state.nj.us

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

Suzanne Patnaude  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-3858  
FAX: (973) 648-2467  
suzanne.patnaude@bpu.state.nj.us

Stacy Peterson  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-2143  
FAX: ( ) - -  
stacy.peterson@bpu.state.nj.us

Nnajindu Ugoji  
Board of Public Utilities  
Division of Energy  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-2219  
FAX: (973) 648-7420  
nnajindu.ugoji@bpu.state.nj.us

**DAG**

Jessica L. Campbell, DAG  
NJ Dept. of Law & Public Safety  
Division of Law  
124 Halsey Street, 5th Fl.  
PO Box 45029  
Newark, NJ 07101  
PHONE: (973) 648-4726  
FAX: ( ) - -  
Jessica.Campbell@dol.lps.state.nj.us

Elise Goldblat, DAG  
NJ Dept. of Law & Public Safety  
Division of Law  
124 Halsey Street  
P.O. Box 45029  
Newark, NJ 07102  
PHONE: (973) 648-3441  
FAX: (973) 648-7156  
elise.goldblat@dol.lps.state.nj.us

Alex Moreau, DAG  
NJ of Dept. Law & 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

Caroline Vachier, DAG  
NJ Dept. of Law & Public Safety  
Division of Law  
124 Halsey Street  
P.O. Box 45029  
Newark, NJ 07101  
PHONE: (973) 648-3709  
FAX: (973) 648-3555  
caroline.vachier@dol.lps.state.nj.us

**ADVOCATE**

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

Paul Flanagan, Litigation Manager  
Dept. of The Public Advocate  
Division of Rate Counsel  
31 Clinton Street - 11th Floor  
P.O. Box 46005  
Newark, NJ 07102  
PHONE: (973) 648-2690  
FAX: (973) 642-1047  
pflanagan@rpa.state.nj.us

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

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

**PSE&G**

Gregory Eisenstark, Esq.  
Assistant General Corporate Rate Counsel  
PSEG Services Corporation  
80 Park Plaza, T-05  
Newark, NJ 07101  
PHONE: (973) 430-6281  
FAX: (973) 430-5983  
gregory.eisenstark@pseg.com

Maria C. Lameira, Sr. Legal Secretary  
PSE&G  
Corporate Rate Counsel, T-8  
80 Park Plaza  
Newark, NJ 07101  
PHONE: (973) 430-6660  
FAX: (973) 648-0838  
maria.lameira@pseg.com

Frances I. Sundheim, Esq.  
VP & Corporate Rate Counsel  
Public Service Electric & Gas Co.  
80 Park Plaza, T-08C  
Newark, NJ 07101  
PHONE: (973) 430-6928  
FAX: (973) 648-0838  
frances.sundheim@pseg.com

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF )  
PUBLIC SERVICE ELECTRIC AND GAS )  
COMPANY FOR APPROVAL OF A )  
CAPITAL ECONOMIC STIMULUS )  
INFRASTRUCTURE INVESTMENT )  
PROGRAM AND AN ASSOCIATED COST )  
RECOVERY MECHANISM )

**P E T I T I O N**

BPU Docket No. \_\_\_\_\_

Public Service Electric and Gas Company (PSE&G, the Company, Petitioner), a corporation of the State of New Jersey, having its principal offices at 80 Park Plaza, Newark, New Jersey, respectfully petitions the New Jersey Board of Public Utilities (Board or BPU) pursuant to N.J.S.A. 48:2-21 and 48:21.1 as follows:

**INTRODUCTION**

1. Petitioner is a public utility engaged in the distribution of electricity and the provision of electric Basic Generation Service (BGS), and distribution of gas and the provision of Basic Gas Supply Service (BGSS), for residential, commercial and industrial purposes within the State of New Jersey. PSE&G provides service to approximately 2.1 million electric and 1.7 million gas customers in an area having a population in excess of 5.5 million persons, and which extends from the Hudson River opposite New York City, southwest to the Delaware River at Trenton and south to Camden, New Jersey.

2. Petitioner is subject to regulation by the Board for the purposes of setting its retail distribution rates and to assure safe, adequate and reliable electric distribution and natural gas distribution service pursuant to N.J.S.A. 48:2-21 *et seq.*

3. PSE&G is filing this Petition seeking Board approval of a Capital Infrastructure Investment Program (“Infrastructure Program”). Under this initiative, PSE&G would accelerate electric and gas distribution system capital infrastructure investments. In the current, difficult financial circumstances, such accelerated capital investments will help improve the State’s economy by stimulating the local economy through these additional projects and creating new employment opportunities. The Company will make every attempt to utilize local suppliers and contractors. At the same time, these investments will enable the Company to continue to provide safe, reliable and efficient electric and gas distribution service to its customers through infrastructure reinforcement.

4. The Company’s Infrastructure Program is filed in response to Governor Corzine’s proposal to help revive the State’s economy and job growth through capital spending projects. In his October 16, 2008 address to the Legislature, the Governor directed the Commissioners of several state agencies, including the Board, to authorize the acceleration of capital spending projects.

5. It is anticipated that the federal government, in response to President Obama and in recognition of the extent of the recession, will pass economic stimulus legislation in the near future. PSE&G is working with other utilities, environmental groups and others, to try to have Congress include additional stimulus grants in such legislation for States that meet certain principles generally included in the Energy Independence and Security Act of 2007, which are designed to foster increased investment by utilities and energy companies in energy efficiency, smart grid and infrastructure and renewables. To the extent that such additional grants applicable to the

Infrastructure Program are received by PSE&G, the Company will apply such amounts for rate making purposes as discussed in Paragraph 25 of this Petition.

6. In conjunction with the implementation of the Infrastructure Program, PSE&G proposes to implement a Capital Adjustment Mechanism (“CAM”). This CAM will allow the Company to receive full and timely recovery of the revenue requirements associated with the Infrastructure Program. The annual increase to current overall gas and electric rates will not exceed one percent, respectively. The annual bill impact will vary by customer class.

7. Schedules setting forth the proposed revenue requirements, including the basis for the rate design of the CAM and the proposed Weighted Average Cost of Capital (based on the methodology set forth below), will be included in the filing of the supplemental schedules, as discussed below.

#### **DESCRIPTION OF INFRASTRUCTURE INVESTMENTS**

8. PSE&G proposes to undertake \$698 million in capital infrastructure investments across its electric and gas businesses over a twenty-four month period. PSE&G proposes an effective date of April 1, 2009, and will commence the capital investments as soon as practicable upon the Board’s approval of this Petition. There are three categories of infrastructure investments: (1) electric; (2) gas; and (3) efficiency-related.

9. PSE&G’s electric system infrastructure capital investments will total approximately \$406 million. The electric system investments are described in Attachment A to this Petition.

10. PSE&G's gas system infrastructure capital investments will total approximately \$292 million. The gas system investments are described in Attachment B to this Petition.

11. Included in the electric and gas infrastructure investments are certain PSE&G efficiency infrastructure capital investments. These efficiency infrastructure investments will address two areas: street lighting and whole building efficiency improvements to the Company's buildings. This investment will be approximately \$62 million. (This investment is included in the electric and gas amounts referenced in paragraphs 9 and 10 above). The street lighting investments will involve replacing less efficient mercury vapor municipal street light fixtures with newer, more efficient induction fluorescent technology. The street lighting investments are described in Attachment C to this Petition. The whole building investments will involve efficiency improvements to PSE&G facilities. These investments are described in Attachment D to this Petition. Should the Board determine that these efficiency infrastructure investments should not be a part of the Infrastructure Program, PSE&G will increase its other electric and gas infrastructure investments so that the total amount of capital investment remains at \$698 million.

12. PSE&G will manage the infrastructure investments in an efficient manner. As a result, it may be necessary to add, remove, or substitute particularly listed projects from the proposed investments. All such additions or substitutions will be the same types of projects listed in Attachments A and B to the filing.

**BENEFITS TO CUSTOMERS AND THE NEW JERSEY ECONOMY**

13. The Infrastructure Program will provide benefits to both PSE&G's customers and New Jersey's economy.

14. The accelerated investments in PSE&G's electric and gas distribution systems will help the Company continue to provide safe, reliable service to its customers. Although PSE&G has maintained high service reliability levels, large parts of the Company's service territory are in mature communities. Therefore, regular capital investments are necessary to insure that the Company's systems remain capable of providing safe, reliable and adequate service.

15. The street lighting and whole building efficiency investments will bring employment opportunities for New Jersey contractors and equipment suppliers, retail establishments and material suppliers. These initiatives will also result in efficiency and environmental benefits for municipalities and the Company. Efficiency improvements in the Company's buildings will, over the long term, result in reduced internal costs for PSE&G, which will translate into lower costs for utility customers.

16. As the Board is well-aware, the nation and the State are in the midst of one of the lengthiest recessions of the last 100 years. Unemployment is on the rise. While capital development is needed to add jobs to the economy, many businesses are faced with difficulties accessing the capital markets.

17. PSE&G's Infrastructure Program, along with the associated cost recovery mechanism, will allow PSE&G to accelerate the time frame of certain planned capital

investments. These projects will result in additional, skilled jobs. PSE&G estimates that the Infrastructure Program will result in 985 incremental jobs in New Jersey over the next two years, as well as additional stimulus for contractors and material and equipment suppliers.

18. Economists agree that an economic stimulus program provides economic benefits that far exceed the amount spent on the program, through a multiplier effect. An investment in capital projects of \$698 million will result in additional economic activity by labor, contractors, material suppliers, and equipment suppliers and would supplement the Company's proposed \$698 million investment. Some research has shown that this multiplier may be as high as 1.6. If the 1.6 multiplier is applied to the Company's proposal, overall economic benefits would approximate \$1.1 billion, providing many more jobs than the Company's estimate of 985 incremental jobs.

## **COST RECOVERY**

### **A. COST RECOVERY PROPOSAL**

19. PSE&G is proposing to recover the revenue requirements associated with the Infrastructure Program. Costs will include:

- Depreciation/amortization expense providing for the recovery of the invested capital over its useful book lives.
- Return on the net investment where net investment is the capital expenditures less accumulated depreciation/amortization less associated accumulated deferred income taxes. The return on the net investment will be based upon a Weighted Average Cost of Capital (WACC), including income tax effects.

- Operation and maintenance expenses (O&M) related to the accelerated capital expenditures. O&M includes only the initial training and non-productive time of new hires.

20. Revenue requirements are based upon 12-month projections. A true-up will occur where the estimates will be reconciled with actual costs.

21. The existing regulatory WACCs applied to the Company's electric and gas operations were established in 2003 and 2006 respectively. Since the third quarter of 2008, there has been extreme volatility in the financial markets. Therefore, the Company proposes that WACC be set to reflect current capital market conditions. PSE&G believes that elements of the WACC most recently approved by the Board in October 2008 are reflective of the increased cost of capital.

- The capital structure will:
  - Reflect that the incremental capital required to finance the accelerated Capital Infrastructure Investment expenditures will be a combination of new long-term debt and common equity.
  - Reflect an increase in the equity component of our capitalization thereby reducing financial risk and improving credit quality.
- A cost of long-term debt that:
  - Reflect the weighted embedded cost of the current actual PSE&G long-term debt outstanding.

- Include a pro forma adjustment to the actual embedded cost to reflect the anticipated additional long-term debt, as described above, required to finance the expenditures at the current cost for such a new long-term utility debt issue.
- A cost of common equity equal to the 10.3% return on equity granted most recently by the Board in the fourth quarter of 2008. This higher equity return is necessary due to the increased business risks associated with the volatile financial markets.

B. RATE MECHANISM FOR COST RECOVERY

22. The Company's monthly revenue requirements associated with the capital infrastructure investments would be subject to deferred accounting and recovered through a new Capital Adjustment Mechanism for electric and gas.

23. Each electric rate schedule base rate charge, including the Service Charge, Distribution Kilowatt Charge, Distribution Kilowatthour Charge (excluding TEFA tax) and Base Rate Distribution Kilowatthour Adjustment Charge would have an associated unique Capital Adjustment Charge ("CAC"). Each electric CAC Charge would be an equal percentage of the corresponding base rate charge. The percentage used to develop the electric CAC Charges would be equal to the estimated electric CAC revenue requirements divided by the forecasted electric base rate revenue. The gas CACs would be calculated in a similar manner. The annual increase to overall current gas and electric rates associated with the CAC will not exceed one percent for gas and one percent for electric.

24. The initial charges will be based on estimated revenue requirements of the

Infrastructure Program from April 1, 2009 through March 31, 2010, and will be implemented for service rendered as of the date of the Board Order approving this Petition. Thereafter, the charges would be changed nominally annually, based upon a true-up for actuals and an estimate of the revenue requirements for the upcoming year. Carrying charges at the Company's monthly WACC would be applicable on any over/under recovered balance on a monthly basis.

25. If any Federal Economic Stimulus Funds, which are applicable to these proposed programs, become available and are received by the Company, such amounts will, at that time, be credited against amounts expended. Revenue requirements will be recalculated at that date and deferred accounting will continue to be followed. If the program items have been rolled into base rates, as described in paragraph 26, any Federal Economic Stimulus Funds received will be utilized for future qualifying investments.

26. When the Company's base rates are reset, the net unrecovered Capital Infrastructure Investment will be rolled into rate base, and the CACs will be reset. In this regard, PSE&G proposes to initiate a proceeding to reset its base electric and gas rates within 24 months after the date of the Board's Order approving this Petition. In this proposed base rate filing, a determination will be made that deals with the continuation of the CACs, including the resolution of any over/under recoveries.

**LEGAL/REGULATORY FRAMEWORK FOR THE COST RECOVERY MECHANISM**

27. The CACs are a rate adjustment clause. The Board has ample jurisdiction to approve a utility's use of rate adjustment clauses pursuant to N.J.S.A. 48:2-21 and 48:2-21.1. New Jersey courts have repeatedly affirmed the Board's authority to approve adjustment clauses, so long as there is a sufficient nexus between the adjustment clause rates and base rates. The purpose of such a nexus is to ensure that a public utility's total financial condition is examined periodically, to allow the Board to ensure that an adjustment clause mechanism will not result in the utility earning an excessive return.

28. There are numerous examples of Board-approved adjustment clauses, across all sectors of the utility industry. The Board has approved energy utilities' implementation of Levelized Energy Adjustment Clauses ("LEAC"), Levelized Gas Adjustment Clauses, and Fuel Cost Adjustment clauses for decades. Similarly, water and sewer utilities have Board-approved Purchased Water Adjustment Clauses and Purchased Sewerage Treatment Adjustment Clauses. The Board has approved a regulated telephone company's Comprehensive Adjustment Clause, which was affirmed by the New Jersey Supreme Court.<sup>1</sup> Other utilities have implemented a Raw Materials Adjustment Clause.

29. The Board has approved clauses or surcharges to recover costs outside of a base rate case, so long as a sufficient nexus with a base rate proceeding existed. The "nexus" requirement was judicially enunciated in the New Jersey Supreme Court's decision in *In Re Intrastate Industrial Sand Rates*, 66 N.J. 12 (1974). In that case, the Supreme Court affirmed the Board's practice of allowing certain components of rates to

be established outside of a base rate case, if the “legal umbilical cord which ties [the rates] to the anticipated eventual determination of these fundamentals” is determined in a base rate case, at which time the adjustment clause rates are merged into the final rate structure, or “to the extent found to have been excessive, are refunded to the consumers who paid them.” See *Industrial Sand Rates*, 66 N.J. at 25. The *Industrial Sand Rates* Court also wrote that “interim relief permits a utility to escape the unfair and sometimes confiscatory impact of ‘regulatory lag’”. *Id.*

30. New Jersey Courts have affirmed the use of adjustment clauses on numerous other occasions. In *In Re Redi-Flo Corporation*, 76 N.J. 21 (1978), the New Jersey Supreme Court determined that the Board has sufficient discretion to increase rates through the use of surcharges outside the context of a base rate proceeding. *Redi-Flo, Id.* at 38-39. In *Application of Rockland Electric Company*, 231 N.J. Super. 478, 484 (App. Div. 1989), the court affirmed the Board’s approval of a fuel adjustment clause for an electric utility. The Board’s jurisdiction to approval a LEAC was similarly affirmed in *In Re Atlantic City Electric Company*, 310 N.J. Super. 357, 362 (1998)

31. In *In Re Atlantic City Electric Company*, Docket Nos. ER88091053, ER88091054, 113 PUR 4th 407 (N.J.B.P.U. 1990), the Board allowed Atlantic City Electric to recover a portion of capacity costs on a provisional basis, conditioned on the future filing of a base rate case within a set time frame sufficient to establish the “legally required nexus to a full rate case” that will allow the “full examination of the cost at issue.”

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<sup>1</sup> *I/M/O Board's Investigation of Telephone Companies*, 66 N.J. 476 (1975).

32. PSE&G's proposed CAC mechanism fully complies with the long-standing precedent allowing adjustment clauses. Given the Company's commitment to make a filing to reset base rates within 24 months of the implementation of the CACs, and the one percent annual rate effect, the requisite nexus between base rates will exist. Moreover, because the remaining investments will be rolled into base rates when such rates are reset, all interested parties will have the opportunity to review the accounting to ensure that the clause does not over (or under) recover the capital infrastructure improvements.

#### **SUPPLEMENTAL FILING**

33. Due to the State's expressed interest in having New Jersey's business community, including electric and gas utilities, implement initiatives that will help stimulate the economy through infrastructure projects, PSE&G has filed this Petition as expeditiously as possible. Therefore, PSE&G will make a supplemental filing by February 4, 2009, which will contain the following items:

- Schedules setting forth the proposed revenue requirements, including the basis for the rate design of the CACs and the proposed WACC (based on the methodology set forth above);
- Proposed tariff sheets;
- A rate impact summary.

A proposed form of public notice of filing and public hearings is attached hereto as Attachment E. In its supplemental filing, PSE&G will complete the proposed rates and bill impacts sections of the notice.

## PROPOSED PROCEDURAL SCHEDULE

34. Given the state of the economy, PSE&G is anxious to receive Board approval and begin making the capital investments by the second quarter of 2009. Therefore, the Company requests that the Board retain this matter and endorse the following procedural schedule, with the goal of implementing the Infrastructure Program by April 1, 2009:

- Petition filed January 21, 2009
- Supplemental schedules filed February 4, 2009
- Discovery conferences Between 2/4/09 and 3/2/09
- Public hearings March 5, 2009<sup>2</sup>
- Consideration at BPU Agenda meeting March 20, 2009

## COMMUNICATIONS

35. Communications and correspondence related to the Petition should be sent as follows:

Frances I. Sundheim  
Public Service Electric and Gas Company  
80 Park Plaza, T8C  
P. O. Box 570  
Newark, New Jersey 07101  
Phone: (973) 430-6928  
Fax: (973) 648-0838  
[frances.sundheim@pseg.com](mailto:frances.sundheim@pseg.com)

Gregory Eisenstark  
Public Service Electric and Gas Company  
80 Park Plaza, T5  
P. O. Box 570  
Newark, New Jersey 07101  
Phone: (973) 430-6281  
Fax: (973) 430-5983  
[gregory.eisenstark@pseg.com](mailto:gregory.eisenstark@pseg.com)

## CONCLUSION AND REQUESTS FOR APPROVAL

For all the foregoing reasons, PSE&G respectfully requests that the Board issue an Order approving this Petition and specifically finding that:

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<sup>2</sup> PSE&G proposes two public hearings (one in the northern part of the Company's service territory and one in the southern part) be conducted on the same day.

1. The Infrastructure Program is in the public interest and that PSE&G is authorized to implement and administer the Program under the terms set forth in this Petition and accompanying Attachments;

2. The carrying charge on its deferred balances for this Infrastructure Program beset based upon PSE&G's monthly weighted average cost of capital, together with the income tax effects. The Company's requested WACC is reflective of the increased business and financial risks due to the volatility in the financial markets, and

3. The cost recovery proposal and mechanism set forth in this Petition is just and reasonable and is approved; and that PSE&G may recover all prudently-incurred Infrastructure Program costs, on a full and timely basis, under the cost recovery mechanism set forth herein.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

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Frances I. Sundheim  
Public Service Electric and Gas Company  
80 Park Plaza, T-8C  
P. O. Box 570  
Newark, New Jersey 07101  
Phone (973) 430-6928  
Fax (973) 648-0838

DATED: January 21, 2009  
Newark, New Jersey



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

Item No.	Project	Description
ED-001	Vehicle Blanket	This investment request provides funding for the replacement of vehicles and equipment for PSE&G's Electric, Gas, Customer Operations, Utility Operations Services and Utility Support businesses.
ED-002	Green Initiative Blanket- Utility Building Efficiency	This Investment Request is to support a building energy efficiency program. This request provides funding to upgrade equipment/facilities at various Utility buildings within New Jersey to more efficient standards.
ED-003	Support Facilities Blanket- UOS	The UOS Support Facilities Blanket provides for deployment of new technologies, replacement of obsolete tools and equipment, as well as renovations of facilities.
ED-004	MDT Lifecycle Mgt Program	This Investment Request provides the funding to replace aging Utility MDTs (Mobile Data Terminals).
ED-005	PC Replacement Program	This Investment Request provides the funding to replace aging Utility PCs (Personal Computers).
ED-006	Fuel Management System	This project will procure and install a Fuel Management System to collect and analyze data on Company vehicle usage by mileage, service hours and fuel consumption.
ED-007	Environmental/Regulatory Blanket- D	The Environmental Regulatory Blanket provides funds for the non-discretionary relocation of distribution facilities for all road-widening projects that are not billable to governmental agencies and miscellaneous projects needed to meet environmental obligations (e.g. Class A-B Fire System Upgrade).
ED-008	Replace Facilities Blanket- D	The Replace Facilities Blanket provides for minor rebuilding and replacement of Distribution inside and outside plant facilities due to in service failures, preservation of asset function, customer complaints and storm damage.
ED-009	BUD Cable Replacements	The BUD (Buried Underground Distribution) Cable Replacement Blanket provides for replacement of Distribution outside plant BUD cable facilities due to age, and to preserve asset function and reliability.
ED-010	Delta Star Replacements	The Delta Star Replacement Blanket provides for replacement of Distribution inside plant aging and outdated Delta Star potheads. These funds will help to maintain reliability levels by avoiding 26kV outages.
ED-011	Network Equipment Replacements	The Network Equipment Replacement Program provides for the refurbishment and replacement of Distribution outside plant network protectors, transformers, and relays.
ED-012	26KV Oil Circuit Breaker Replacements	This program addresses the replacement of 26kV Oil Circuit Breakers.

Item No.	Project	Description
ED-013	Low Pressure Gas Filled Cable Replacements	This funding provides for the replacement of poorly performing Low Pressure Gas Filled (LPGF) cable throughout the underground distribution system with newer more reliable Ethylene Propylene Rubber (EPR) cable.
ED-014	Street Lighting Blanket	This investment request provides for the replacement of aging street lighting and area lighting infrastructure. This work provides continuity of service to PSE&G customers.
ED-015	Support Facilities Blanket- D	The Electric Distribution Support Facilities Blanket provides funding for the replacement of obsolete tools, equipment, radios and improvements to deteriorating facilities. Due to technological advances and continuous usage of the existing tools, tools need to be updated and replaced to ensure efficiency and safety.
ED-016	Reliability Improvement Blanket	The Distribution Reliability Improvement Blanket provides funding for focused investments both inside and/or outside plant facilities targeted at system performance metric improvements.
ED-017	System Reinforcement Blanket- D	The System Reinforcement Blanket provides funding for the installation of distribution facilities to accommodate the changing load profile of circuits in the PSE&G system, as well as addressing the defined life extension programs. The reinforcement of distribution facilities includes load transfers between feeders, conversions of 4kV circuits to 13kV operation, and the upgrade of wire, cable and transformers.
ED-018	Adv. Street Lighting Tech. Blanket	This investment request is in support of a program to replace mercury vapor street lights with a new lighting technology called induction fluorescent lighting.
ED-020	Ridgefield 9th Feeder	Install the 5th 13kV feeder row and the 9th 13-kV feeder at Ridgefield II Substation and transfer 8 MVA from Leonia Substation to the new feeder to accommodate a changing load profile in the Leonia area.
ED-024	Doremus I - 8th Feeder	Install the Doremus Substation 8th feeder to accommodate changing load profiles at Springfield Rd. Substation and on the feeder loops between Doremus and Springfield Rd.
ED-025	Kilmer II 10th Feeder	Install the Kilmer II Substation 10th 13-kV feeder to accommodate changing load profiles in the Edison-Piscataway-South Plainfield area.
ED-026	Minue St. 11th Feeder	Install the Minue Street Substation 6th feeder row and 11th feeder to accommodate changing load profiles in the Woodbridge-Carteret area.
ED-027	Westfield 9th Feeder	Install the Westfield Substation new feeder row, 13-kV feeder to accommodate changing load profiles in Cranford & Clark townships.

Item No.	Project	Description
ED-028	Aldene-Schering 26KV Reinforcement	Install two new 26-kV circuits from Aldene to Schering to accommodate changing load profiles in Kenilworth & Union Townships.
ED-029	Warinanco 9th Feeder	Install the Warinanco Substation 5th feeder row and 9th 13-kV circuit to accommodate changing load profiles in the Roselle-Linden-Elizabeth area.
ED-030	Yardville 8th Feeder	Install the Yardville Substation 8th feeder to accommodate changing load profiles in the Hamilton area.
ED-031	Medford 9th Feeder	Install the Medford Substation 5th feeder row and 9th 13-kV circuit to accommodate changing load profiles in the Medford-Marlton area.
ED-032	Penns Neck 15th Feeder	Install the Penns Neck Substation 8th feeder row and 15th 13-kV circuit to accommodate changing load profiles in the Princeton area.
ED-033	Lumberton 9th Feeder	Install the Lumberton Substation 5th feeder row and 9th 13-kV circuit to accommodate changing load profiles in the Lumberton area.
ED-034	East Rutherford Collapsed Duct Line	Install a new manhole and conduit system and reroute a portion of the paired Q-329 circuit around the collapsed duct bank on Erie Ave in East Rutherford.
ED-035	Bergen - Polk Street 26-kv circuit	Install a new 26-kV circuit from Bergen Switching Station to Polk Street Substation to accommodate changing load profiles in the North Bergen and West New York Areas.
ED-036	Maywood 6th Feeder	Install the Maywood Substation 6th 13kV feeder and transfer load to accommodate changing load profiles in the Maywood and New Milford Areas.
ED-037	Bayonne Peninsula Unit & Reinforce 26-kv	Install a main line 13-kV loop from Route 440 to the end of the Bayonne Peninsula to accommodate changing load profiles in the Bayonne Area.
ED-038	Waldwick 10th Feeder	Install the Waldwick Substation 10th feeder to accommodate changing load profiles in Waldwick and Ridgewood areas.
ED-039	Liberty State Park Reliability Improvement	Install a 13-kV cable and switches to improve the reliability in Liberty State Park Area.
ED-040	Foundry Street 8th Feeder	Install the Foundry Street Substation 8th feeder to accommodate changing load profiles in the Ironbound section of Newark.
ED-041	Essex - Harrison - Clay Street 26-kv circuit	Install a new 26-kV circuit from Essex Switching Station to Harrison Substation to accommodate changing load profiles in the Newark and Harrison Areas.

Project	Description
RF Blanket	Blanket provides funding for the replacement of aging gas cast iron and bare steel mains (due to active corrosion or high hazard index), replacement of bare steel gas services (due to individual leakage or association with main replacement), and replacement of aging and obsolete gas pressure regulators and metering and regulating facilities.
ER Blanket	Blanket provides funding for the relocation and replacement of gas mains and services as a result of road or bridge reconstruction by governmental authorities. Funds also provide for the physical disconnection of active gas services to buildings (Cut-Offs). Finally, funds cover cost of replacing bare steel gas services as mandated by the BPU and the 20% rule.
SR Blanket	Blanket provides funding for the installation of (1) life extending cast iron bell joint encapsulations, (2) reinforcement gas mains and metering and regulating stations to meet existing loads (3) cathodic protection devices that prevent corrosion on underground and exposed steel gas mains
SF Tools	Blanket provides for the purchase of construction tools such as pavement breakers, trenchers, tampers, tapping tools, and other specialized construction equipment. Funds also provide for investment in new technologies that improve productivity
SF Facilities	Funds provide for improvements to deteriorating company facilities including headquarters renovations, parking lot re-surfacing, and HVAC replacements.
East Rutherford M&R	Meter & Regulator Station Upgrade to current standards eliminating transco pressure regulation. Install "series" PS regulation with monitor regulators greatly reducing likelihood gas release. Inlet, outlet, and heater replacement.
Oradell HQ	Replacement of Oradell Gas District Headquarters in Northern Gas Division. Project results from two significant flooding incidents sustained by the Oradell headquarters over the past 10 years (1999 & 2007) in which total capital reconstruction and O&M repair costs have amounted to \$5.7M.

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

<b>Item No.</b>	<b>Project</b>	<b>Description</b>
ED-018	Adv. Street Lighting Tech. Blanket	This investment request is in support of a program to replace mercury vapor street lights with a new more efficient lighting technology called induction fluorescent lighting.

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

Item No.	Project	Description
ED-002	Green Initiative Blanket- Utility Building Efficiency	This Investment Request is to support a building energy efficiency program. This request provides funding to upgrade equipment/facilities at various Utility buildings within New Jersey to more efficient standards.

## NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY CUSTOMERS

### IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF A CAPITAL ECONOMIC STIMULUS INFRASTRUCTURE INVESTMENT PROGRAM AND AN ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO N.J.S.A. 48:2-21 AND 48:21.1

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

**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 XXXXXXXXXXXX. 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 Capital Infrastructure Investment Program ("Infrastructure Program") and to approve an associated cost recovery mechanism.

PSE&G seeks Board approval to implement the Infrastructure Program which would accelerate electric and gas distribution system capital infrastructure investments. Such accelerated capital investments will help improve the State's economy by stimulating the local economy through these additional projects and creating new employment opportunities. Additionally, these investments will enable PSE&G to continue to provide safe, reliable and efficient electric and gas distribution service to its customers through infrastructure reinforcement.

PSE&G proposes to undertake \$698 million in the Infrastructure Program investments across its electric and gas business over a twenty-four month period. These investments will include \$406 million in electric system infrastructure investments and \$292 million in gas system infrastructure investments. Included within the electric and gas programs are \$62 million in investments for energy efficiency-related projects.

In conjunction with the implementation of the Infrastructure Program, PSE&G proposes to implement a Capital Adjustment Charge ("CAC"). This will allow PSE&G to receive full and timely recovery of the revenue requirements associated with the Infrastructure Program. Carrying charges at PSE&G's monthly Weighted Average Cost of Capital would be applicable on any over/under recovered balance on a monthly basis.

Each electric rate schedule base rate charge, including the Service Charge, Distribution Kilowatt Charge, Distribution Kilowatt-hour Charge (excluding TEFA tax) and Base Rate Distribution Kilowatt-hour Charge would have an associated unique CAC

Charge. Similar to electric, each gas rate schedule base rate charge would also have a unique CAC Charge.

For illustrative purposes the CAC charges for residential Rate Schedules RS and RSG are 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 kilowatt-hours per summer month and 6,960 kilowatt-hours on an annual basis would see an increase in the annual bill from \$XXXX.XX to \$XXXX.XX, or \$X.XX or approximately X.XX%.

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 increase in the annual bill from \$XXX.XX to \$XXX.XX, or \$X.XX or approximately X.XX%. 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 increase in the annual bill from \$XXXX.XX to \$XXXX.XX, or \$X.XX or approximately X.XX%.

Any final 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
Location 1	Location 2
Time 1	Time 2
Location 1 Overflow	Location 2 Overflow
Room 1	Room 2
Room 1 Overflow	Room 2 Overflow
Address 1	Address 2
City 1, N.J. Zip 1	City 2, N.J. Zip 2

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**  
**CAPITAL ADJUSTMENT CHARGES**  
**For Residential RS and RSG Customers**

Rate Schedule			Charges	Charges Including SUT
<b>Electric</b>				
RS	Service Charge	per month	\$x.xx	\$x.xx
	Distribution 0-600, June-September	¢/kWhr	x.xxxx	x.xxxx
	Distribution 0-600, October-May	¢/kWhr	x.xxxx	x.xxxx
	Distribution over 600, June-September	¢/kWhr	x.xxxx	x.xxxx
	Distribution over 600, October-May	¢/kWhr	x.xxxx	x.xxxx
	Base Rate Distribution Kilowatthour Adjustment	¢/kWhr	x.xxxx	x.xxxx
<b>Gas</b>				
RSG	Service Charge	per month	\$x.xx	\$x.xx
	Distribution Charge	¢/Therm	x.xxxx	x.xxxx
	Off-Peak Use	¢/Therm	x.xxxx	x.xxxx
	Margin Adjustment Charge	¢/Therm	x.xxxx	x.xxxx
	Basic Gas Supply Service-RSG (BGSS-RSG)	¢/Therm	x.xxxx	x.xxxx

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

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

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.

**Table # 3**  
**Impact By Gas Customer Class**

PROPOSED PERCENTAGE INCREASES BY CUSTOMER CLASS FOR GAS SERVICE		
Residential Service	RSG	X.XX
General Service	GSG	X.XX
Large Volume Service	LVG	X.XX
Firm Transportation Gas Service	TSG-F	X.XX
Non-Firm Transportation Gas Service	TSG-NF	X.XX
Cogeneration Interruptible Service	CIG	X.XX

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

**Table # 4**  
**Residential Electric Service**

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Increase Would Be:	And Your Monthly Percent Increase Would Be:
1,800	170	\$XX.XX	\$XX.XX	\$X.XX	X.XX%
3,600	360	XX.XX	XX.XX	X.XX	X.XX
6,960	722	XXX.XX	XXX.XX	X.XX	X.XX
7,800	803	XXX.XX	XXX.XX	X.XX	X.XX
12,000	1,250	XXX.XX	XXX.XX	X.XX	X.XX

- (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 Capital Adjustment Charge.

**Table # 5  
Residential Gas Service**

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Increase Would Be:	And Your Monthly Percent Increase Would Be:
222	25	\$XX.XX	\$XX.XX	\$X.XX	X.XX
444	50	XX.XX	XX.XX	X.XX	X.XX
606	100	XXX.XX	XXX.XX	X.XX	X.XX
1,210	200	XXX.XX	XXX.XX	X.XX	X.XX
1,816	300	XXX.XX	XXX.XX	X.XX	X.XX

- (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 change for the Capital Adjustment Charge.

**Frances I. Sundheim.  
Vice President and Corporate Rate Counsel**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**



February 4, 2009

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

BPU Docket No. EO09010050

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

Kristi Izzo, Secretary  
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 of Public Service Electric and Gas Company in the above-referenced matter.

Copies of the Supplemental Filing (electronic and hard) will be served upon all parties on the attached service list. Please note that the Electronic work-papers are being provided in CD format, which is being supplied to your offices and those below as indicated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frances I. Sundheim", is written over a large, loopy scribble.

C Attached Service List  
Electronic CD Work-papers  
Alex Moreau  
Caroline Vachier  
Jacqueline O'Grady  
Jerome May  
Mark Beyer  
Michael Stonack  
Rene Demuynck  
Stephanie Brand

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

**BPU**

Nanik Aswani  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-2270  
FAX: (973) 648-2467/7420  
nanik.aswani@bpu.state.nj.us

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

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

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

Victor Fortkiewicz, Executive Director  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-4852  
FAX: (973) 648-2409  
victor.fortkiewicz@bpu.state.nj.us

James Giuliano, Director  
Board of Public Utilities  
Division of Reliability & Security  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-3875  
FAX: (973) 648-2242  
james.giuliano@bpu.state.nj.us

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

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

Christine Lin  
Board of Public Utilities  
Office of the Economist  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-3407  
FAX: (973) 648-4410  
christine.lin@bpu.state.nj.us

Donna Luhn, Legal Specialist  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-4451  
FAX: (973) 648-2409  
donna.luhn@bpu.state.nj.us

Jerome May  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-4950  
FAX: (973) 648-7420  
Jerome.may@bpu.state.nj.us

Jacqueline O'Grady  
Board of Public Utilities  
Office of The Economist  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-3451  
FAX: (973) 648-4410  
jackie.ogrady@bpu.state.nj.us

Michael Stonack  
Board of Public Utilities  
Office of Clean Energy  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-4959  
FAX: (973) 648-2242  
michael.stonack@bpu.state.nj.us

Robert Wojciak  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102  
PHONE: (973) 648-3978  
FAX: (973) 648-4410  
robert.wojciak@buu.state.nj.us

**DAG**

Jessica L. Campbell, DAG  
NJ Dept. of Law & 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

Elise Goldblat, DAG  
NJ Dept. of Law & 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

Jenique Jones  
Division of Law & 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

Kerri Kirschbaum, DAG  
NJ Dept. of Law & 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

Alex Moreau, DAG  
NJ of Dept. Law & 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

Anne Marie Shatto, DAG  
NJ Dept. of Law & 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

Babette Tenzer, DAG  
NJ Dept. of Law & 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

Caroline Vachier, DAG  
NJ Dept. of Law & 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

**ADVOCATE**

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

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

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

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

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

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

---

**PSE&G**

Gregory Eisenstark, Esq.  
Assistant General Corporate Rate Counsel  
PSEG Services Corporation  
80 Park Plaza, T-05  
Newark, NJ 07101  
PHONE: (973) 430-6281  
FAX: (973) 430-5983  
gregory.eisenstark@pseg.com

Maria C. Lameira, Sr. Legal Secretary  
PSE&G  
Corporate Rate Counsel, T-8  
80 Park Plaza  
Newark, NJ 07101  
PHONE: (973) 430-6660  
FAX: (973) 648-0838  
maria.lameira@pseg.com

Frances I. Sundheim, Esq.  
VP & Corporate Rate Counsel  
Public Service Electric & Gas Co.  
80 Park Plaza, T-08C  
Newark, NJ 07101  
PHONE: (973) 430-6928  
FAX: (973) 648-0838  
frances.sundheim@pseg.com

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY  
CAPITAL ECONOMIC STIMULUS  
INFRASTRUCTURE INVESTMENT PROGRAM  
SUPPLEMENTAL COST RECOVERY / RATE IMPACT FILING**

**SCOPE OF FILING**

The purpose of this Supplemental Filing is to support the Company's proposed methodology for recovery of the costs related to PSE&G's Capital Economic Stimulus Infrastructure Investment Program (Program), including projected bill impacts. As noted in Paragraph 33 of the Program Petition filed with the Board on January 21, 2009 (Petition) as the Company indicated it would provide:

- Attachments setting forth the proposed revenue requirements, including the basis for the rate design of the Capital Adjustment Charges (CACs) and the proposed WACC (based on the methodology set forth above);
- Proposed tariff sheets;
- A rate impact summary

This Supplemental Filing provides details of the proposed calculations and recovery mechanisms.

**COST RECOVERY MECHANISM**

General

PSE&G is proposing to recover the revenue requirements associated with the Program as described in Paragraph 19 of the Petition. The revenue

requirements would include all costs related to the Program's capital expenditures including operations and maintenance costs. The details of these costs proposed to be recovered, as well as the mechanism for such recovery, are described in the following sections of this supplemental filing.

#### Calculation of the Revenue Requirements

The Program investments are proposed to be treated as separate classes of utility plant, and depending on the type of investment, either depreciated or amortized as described in the corresponding section below. The revenue requirements associated with the Program costs would be expressed as:

$$\text{Revenue Requirements} = (\text{Pre-Tax Cost of Capital} * \text{Net Investment}) + \text{Amortization and/or Depreciation} + \text{Operation and Maintenance Costs}$$

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

1. Pre Tax Cost of Capital – This is PSE&G's overall weighted average cost of capital (WACC). The existing regulatory WACCs applied to the Company's electric and gas operations were established in 2003 and 2006 respectively. Since the third quarter of 2008, there has been extreme volatility in the financial markets. Therefore, the Company proposes that its WACC be set to reflect current capital market conditions. PSE&G believes that elements of the WACC, most recently approved by the Board in October 2008, are reflective of the increased cost of capital.

- The capital structure will:
  - Reflect that the incremental capital required to finance the Program, as well as the Economic Energy Efficiency Stimulus Investment expenditures, will be a combination of new long-term debt and common equity.
  - Reflect an increase in the equity component of our capitalization thereby reducing financial risk and improving credit quality.
- The cost of long-term debt will:
  - Reflect the weighted embedded cost of the current actual PSE&G long-term debt outstanding.
  - Include a pro forma adjustment to the actual embedded cost to reflect the anticipated additional long-term debt, as described above, required to finance the expenditures at the current cost for such a new long-term utility debt issue.
- The cost of common equity will be equal to the 10.3% return on equity granted most recently by the Board in the fourth quarter of 2008. This higher equity return is necessary due to the increased business risks associated with the volatile financial markets. The calculation deriving the current value of WACC of 8.2629% per year is shown in Attachment F-1. For calculating Revenue Requirements, the corresponding Pre-Tax WACC of 11.9751% per year or 0.9979% per month is used. See Attachment F-1 for the supporting

calculations.

Net Investment – This is the net balance of the Program assets less their associated accumulated depreciation and/or amortization less their Accumulated Deferred Income Tax (ADIT).

Depreciation/Amortization – The depreciation or amortization of the Program assets will vary depending on its asset class. The book recovery and associated tax depreciation, applied to the Program investments, is the current electric or gas depreciation rates.

Operations and Maintenance Costs – Operations and maintenance costs would include only the initial training and non-productive time of new hires related to the Program as described in Paragraph 19 of the Petition.

The supporting detail for the projected investments and estimated operations and maintenance costs are contained in electronic work papers ‘CAC Elec Invstmt Input.xls’, ‘CAC Gas Invstmt Input.xls’, ‘CAC Elec O-M Input.xls’, and ‘CAC Gas O-M Input.xls’ that are provided herewith.

The monthly calculations of the electric and gas Revenue Requirements through December 2011 are shown in Attachments F-2 and F-3 respectively. The corresponding annual electric and gas revenue requirements are shown in Attachments F-4 and F-5 respectively. As indicated in Paragraph 24 of the Petition, the first annual period of the Program will be from April 1, 2009 through March 31, 2010. For this filing, all subsequent annual periods begin each April 1<sup>st</sup> and end the

following March 31<sup>st</sup>. See Column 13 in Attachments F-4 and F-5 respectively for the revenue requirements for the annualized periods. The detailed monthly revenue requirements calculation along with the corresponding annual summary is provided in the electronic work paper files.

For electric, see files 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls'. For gas, see files 'CAC Gas RR Part1.xls' thru 'CAC Gas RR Part3.xls'. The expected revenue requirement for the first 12 month period of the Program is \$16,604,778 for electric and \$12,541,849 for gas. The peak revenue requirements in the subsequent annual periods are \$57,402,835 for electric and \$40,659,277 for gas and occur in the third annual period from April 1, 2011 to March 31, 2012 based upon Program assumptions.

#### Method for Cost Recovery

As described in Paragraph 22 thru 24 of the Petition, PSE&G will recover the Revenue Requirements associated with this Program through a new rate recovery mechanism called a Capital Adjustment Mechanism (CAM)

The Company's monthly revenue requirements associated with the Program would be subject to deferred accounting and would be recovered through two new CAMs, one for electric and one for gas. For the electric CAM, each electric rate schedule base rate Distribution charge, including the Service Charge, Distribution Kilowatt Charge, Distribution Kilowatt-hour Charge (excluding TEFA tax) and Base Rate Distribution Kilowatt-hour Adjustment Charge has an associated unique Capital

Adjustment Charge (CAC). Each electric CAC is an equal percentage of the corresponding base rate charge. This equal percentage is called the Capital Adjustment Factor (CAF). The CAF used to develop the CACs is determined so that the resultant sum of each CAC multiplied by its corresponding annual forecasted units results in the revenue requirements of the Program for each annual period. The calculation of the initial annual period electric CAM and resultant CACs are shown in Column 6 of Attachment F-6. The resultant electric CACs, for the following nine annual periods April to March, are shown in Attachment F-8.

The Gas CAM is calculated in a similar manner to the electric CAM. The application of the CAM to Gas is somewhat more complex due to the re-distribution of certain revenue consistent with the methodology approved for rate design in the last gas base rate case. TSG-NF distribution revenues are flowed back to firm customers via the Margin Adjustment Charge (MAC). Distribution increases applied to TSG-F and CIG rates flow back to firm customers as a reduction in the Non-Gulf Coast Cost of Gas component in their BGSS rate. As a result, while there is a unique gas CAC charges for each gas rate schedule base rate charge, there are also unique gas CAC charges associated with the MAC as well as BGSS-RSG and BGSS-Firm charges. The calculation of the initial annual period gas CAM and resultant CACs are shown in Attachment F-7. The resultant gas CACs for the following nine annual periods, April to March, is shown in Attachment F-9.

PSE&G is proposing to implement the electric and gas CACs simultaneously with Board approval of this Program based upon forecasted expenditures and usage. The proposed initial period for determining rates will be from April 1, 2009 through March 31, 2010. If Board approval is received prior to April 1, 2009, rates will still go into effect April 1, 2009 as filed for the initial period. All Program costs incurred prior to April 1, 2009 will be deferred. If Board approval is received after April 1, 2009 but prior to December 31, 2009, the proposed initial period rate will still be implemented on the first day practicable after receipt of the written Board Order. Thereafter, the electric and gas CACs will be changed nominally, on an annual basis, incorporating a true-up for actuals and an estimate of the revenue requirements for the upcoming annual period.

The annual average bill impacts, for each rate class and impact to overall rates, are calculated for ten annual periods for electric and gas in Attachments F-10 and F-11 respectively. The maximum impact to overall annual electric and gas rates occurs in the third annual period of the Program, 0.82% for electric and 0.99% for gas. The first year's annual impacts to the typical residential electric customer that uses 6,960 kilowatt-hours per year and the residential gas heating customer that uses 1,210 therms per year are 0.34% and 0.39%, respectively. See Attachment F-12 for these residential impacts for the first ten annual periods. The electronic version of this filing contains the supporting detailed assumptions and calculations for

Attachments F-1 thru F-12 in electronic work papers labeled 'CAC RR.xls' and 'CAC RATES.xls'.

Under the Company's proposal, any over/under recovery of the actual revenue requirements compared to revenues would be deferred. The monthly WACC would be applicable as the carrying charge rate on any over/under recovered balance on a monthly basis and computed as indicated below.

$$\text{Monthly Carrying Charge} = \text{Monthly WACC} * (\text{Beginning Deferred Balance} + \text{Ending Deferred Balance}) / 2 * (1 - \text{Tax Rate})$$

The monthly carrying charge on the over/under recovery balance would be added to the month ending deferred balance to create the month ending deferred balance with carrying charge. The ending deferred balance with carrying charge becomes the beginning monthly balance for the subsequent month. The method of including the deferred balance in setting the electric and gas CACs for all subsequent periods is described above.

Also attached is the revised form of Legal Notice and proposed tariff sheets.

**Attachment Index**

Attachment F – 1.....	Weighted Average Cost of Capital
Attachment F – 2.....	Electric Revenue Requirements Summary - Monthly
Attachment F – 3.....	Gas Revenue Requirements Summary - Monthly
Attachment F – 4.....	Electric Revenue Requirements Summary - Annual
Attachment F – 5.....	Gas Revenue Requirements Summary - Annual
Attachment F – 6.....	Electric Capital Adjustment Mechanism
Attachment F – 7.....	Gas Capital Adjustment Mechanism
Attachment F – 8.....	Electric Capital Adjustment Charges
Attachment F – 9.....	Gas Capital Adjustment Charges
Attachment F – 10.....	Average Annual Rate Impacts - Electric
Attachment F – 11.....	Average Annual Rate Impacts - Gas
Attachment F – 12.....	Residential Typical Annual Bill Impacts
Attachment E - Revised	Revised Form of Legal Notice
Attachment G .....	Proposed Tariff Sheets

**Electronic (CD) Work-Paper Index**

CAC RR Sum.xls .....	Attachment F-1 through F-5
• CAC Gas RR Part1.xls	
• CAC Gas RR Part2.xls	
• CAC Gas RR Part3.xls	
• CAC Elec RR Part1.xls	
• CAC Elec RR Part2.xls	
• CAC Elec RR Part3.xls	
• CAC Elec RR Part4.xls	
CAC RATES.xls .....	Attachment F-6 through F-12
CAC Elec Invstmt Input.xls	Detailed assumptions for Electric and Common Expenditures
CAC Gas Invstmt Input.xls	Detailed assumptions for Gas Expenditures
CAC Gas O-M Input.xls	Support for Gas O&M costs
CAC Elec O-M Input.xls	Support for Electric O&M costs

**PSE&G Capital Stimulus Infrastructure Investment Program  
Weighted Average Cost of Capital (WACC)**

Attachment F-1

	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Tax Gross-up</u>	<u>Pre-Tax Weighted Cost</u>
Long-term Debt	46.7864%	6.2315%	2.9155%		
Customer Deposits	<u>1.0197%</u>	2.3400%	0.0239%		
Sub-total	47.8061%		2.9394%		2.9394%
Preferred Stock	0.9940%	5.0300%	0.0500%	1.6973	0.0849%
Common Equity	<u>51.2000%</u>	10.3000%	<u>5.2736%</u>	1.6973	<u>8.9509%</u>
Total	100.0000%		8.2629%		11.9751%
Monthly WACC			0.6886%		0.9979%

Reflects a Tax Rate of 41.084%

**PSE&G Capital Stimulus Infrastructure Investment Program**

**Electric Revenue Requirements Calculation - Monthly**

(\$'s)

		Program Assumption	Program Assumption	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Bk Depr - ' Worksheets	Prior Month + Col 3	Col 2 - Col 4	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Bk Depr - ' Worksheets	(Col 6 - Col 3) * [Income Tax Rate]	Prior + Col 7	Col 5 - Col 8	(Prior Col 9 + Col 9) / 2 * Monthly Pre Tax WACC	Program Assumption	Col 3 + Col 10 + Col 11
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Month	Year	Program Investment	Gross Plant	Depreciation Expense	Accumulated Depreciation	Net Plant	Tax Depreciation	Deferred Tax Exp	Accumulated Deferred Tax	Net Investment	Return Requirement	O&M Expense	Calendar Revenue Requirements
1	Jan 2009	-	-	-	-	-	-	-	-	-	-	-	-
2	Feb 2009	-	-	-	-	-	-	-	-	-	-	-	-
3	Mar 2009	-	-	-	-	-	-	-	-	-	-	-	-
4	Apr 2009	4,703,201	4,703,201	12,331	12,331	4,690,870	15,281	1,212	1,212	4,689,658	23,400	100,000	135,731
5	May 2009	9,578,666	14,281,866	39,564	51,895	14,229,971	47,738	3,359	4,570	14,225,401	94,379	100,000	233,943
6	Jun 2009	13,166,578	27,448,444	78,598	130,492	27,317,952	94,898	6,697	11,267	27,306,685	207,229	100,000	385,827
7	Jul 2009	15,483,883	42,932,327	126,353	256,846	42,675,482	152,908	10,910	22,177	42,653,305	349,074	200,000	675,427
8	Aug 2009	14,753,716	57,686,044	171,176	428,022	57,258,022	210,741	16,255	38,431	57,219,590	498,328	200,000	869,504
9	Sept 2009	16,481,552	74,167,595	211,090	639,111	73,528,484	261,755	20,816	59,247	73,469,237	652,088	300,000	1,163,177
10	Oct 2009	21,735,033	95,902,629	269,990	909,101	94,993,527	342,611	29,835	89,082	94,904,445	840,121	300,000	1,410,111
11	Nov 2009	21,346,852	117,249,481	317,430	1,226,531	116,022,949	406,180	36,462	125,544	115,897,405	1,051,822	400,000	1,769,251
12	Dec 2009	19,264,386	136,513,867	384,684	1,611,216	134,902,651	500,250	47,479	173,024	134,729,628	1,250,534	500,000	2,135,218
13	Jan 2010	16,986,174	153,500,041	410,363	2,021,579	151,478,462	538,924	52,818	225,842	151,252,620	1,426,943	500,000	2,337,307
14	Feb 2010	18,412,039	171,912,079	438,095	2,459,674	169,452,405	580,487	58,500	284,342	169,168,063	1,598,778	600,000	2,636,873
15	Mar 2010	19,727,086	191,639,165	468,467	2,928,142	188,711,023	625,477	64,506	348,848	188,362,175	1,783,941	600,000	2,852,408
16	Apr 2010	19,913,664	211,552,829	497,579	3,425,720	208,127,108	681,066	75,384	424,232	207,702,876	1,976,215	600,000	3,073,793
17	May 2010	20,220,630	231,773,459	530,404	3,956,124	227,817,334	755,754	92,583	516,814	227,300,520	2,170,502	400,000	3,100,907
18	Jun 2010	19,199,980	250,973,439	570,148	4,526,273	246,447,166	852,423	115,970	632,784	245,814,382	2,360,664	400,000	3,330,813
19	Jul 2010	18,099,540	269,072,979	633,440	5,159,713	263,913,266	991,957	147,293	780,078	263,133,188	2,539,456	400,000	3,572,896
20	Aug 2010	16,213,760	285,286,739	660,352	5,820,065	279,466,674	1,079,147	172,058	952,135	278,514,538	2,702,617	400,000	3,762,970
21	Sept 2010	18,308,616	303,595,355	688,630	6,508,695	297,086,660	1,162,720	194,775	1,146,910	295,939,750	2,866,310	400,000	3,954,940
22	Oct 2010	19,859,263	323,454,617	717,483	7,226,178	316,228,439	1,275,419	229,222	1,376,133	314,852,306	3,047,621	600,000	4,365,105
23	Nov 2010	19,231,395	342,686,012	753,286	7,979,465	334,706,547	1,383,532	258,930	1,635,063	333,071,485	3,232,895	600,000	4,586,181
24	Dec 2010	16,896,320	359,582,332	862,959	8,842,424	350,739,909	1,623,651	312,523	1,947,585	348,792,323	3,402,243	600,000	4,865,201
25	Jan 2011	14,145,450	373,727,782	893,816	9,736,240	363,991,542	1,704,223	332,948	2,280,533	361,711,010	3,545,143	600,000	5,038,959
26	Feb 2011	15,045,396	388,773,178	927,163	10,663,403	378,109,775	1,790,976	354,889	2,635,422	375,474,353	3,678,276	500,000	5,105,439
27	Mar 2011	15,390,954	404,164,132	982,653	11,646,056	392,518,076	1,912,402	381,978	3,017,400	389,500,676	3,816,936	600,000	5,399,589
28	Apr 2011	-	404,164,132	982,653	12,628,709	391,535,423	1,947,470	396,385	3,413,785	388,121,638	3,880,041	-	4,862,694
29	May 2011	-	404,164,132	982,653	13,611,362	390,552,770	1,982,260	410,679	3,824,464	386,728,306	3,866,208	-	4,848,861
30	Jun 2011	-	404,164,132	982,653	14,594,015	389,570,117	2,021,516	426,807	4,251,271	385,318,847	3,852,223	-	4,834,876
31	Jul 2011	-	404,164,132	982,653	15,576,668	388,587,464	2,087,939	454,096	4,705,366	383,882,098	3,838,022	-	4,820,675
32	Aug 2011	-	404,164,132	982,653	16,559,321	387,604,811	2,107,769	462,243	5,167,609	382,437,203	3,823,644	-	4,806,297
33	Sept 2011	-	404,164,132	982,653	17,541,974	386,622,158	2,131,991	472,194	5,639,803	380,982,356	3,809,175	-	4,791,828
34	Oct 2011	-	404,164,132	982,653	18,524,627	385,639,505	2,153,898	481,194	6,120,997	379,518,509	3,794,612	-	4,777,265
35	Nov 2011	-	404,164,132	982,653	19,507,280	384,656,852	2,188,740	495,509	6,616,506	378,040,347	3,779,932	-	4,762,585
36	Dec 2011	-	404,164,132	982,653	20,489,933	383,674,200	2,310,599	545,573	7,162,079	376,512,120	3,764,931	-	4,747,584

**PSE&G Capital Stimulus Infrastructure Investment Program**

**Gas Revenue Requirements Calculation - Monthly**

(\$'s)

			Program Assumption	Program Assumption	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Bk Depr - ' Worksheets	Prior Month + Col 3	Col 2 - Col 4	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Bk Depr - ' Worksheets	(Col 6 - Col 3) * [Income Tax Rate]	Prior + Col 7	Col 5 - Col 8	(Prior Col 9 + Col 9) / 2 * Monthly Pre Tax WACC	Program Assumption	Col 3 + Col 10 + Col 11
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			Program Investment	Gross Plant	Depreciation Expense	Accumulated Depreciation	Net Plant	Tax Depreciation	Deferred Tax Exp	Accumulated Deferred Tax	Net Investment	Return Requirement	O&M Expense	Calendar Revenue Requirements
Month	Year													
1	Jan	2009	-	-	-	-	-	-	-	-	-	-	-	-
2	Feb	2009	-	-	-	-	-	-	-	-	-	-	-	-
3	Mar	2009	-	-	-	-	-	-	-	-	-	-	-	-
4	Apr	2009	2,218,181	2,218,181	7,606	7,606	2,210,575	12,192	1,884	1,884	2,208,691	11,021	52,961	71,588
5	May	2009	3,807,710	6,025,890	25,237	32,843	5,993,047	36,331	4,558	6,442	5,986,605	40,891	79,442	145,570
6	Jun	2009	12,501,555	18,527,446	66,413	99,256	18,428,189	106,055	16,286	22,728	18,405,461	121,707	312,470	500,590
7	Jul	2009	14,135,399	32,662,845	119,017	218,274	32,444,571	191,379	29,729	52,457	32,392,114	253,461	338,950	711,429
8	Aug	2009	13,349,677	46,012,522	161,164	379,438	45,633,084	265,112	42,706	95,163	45,537,921	388,841	331,006	881,012
9	Sept	2009	14,418,943	60,431,465	200,677	580,115	59,851,350	338,825	56,757	151,920	59,699,430	525,095	370,727	1,096,498
10	Oct	2009	16,553,945	76,985,410	241,251	821,365	76,164,044	419,110	73,072	224,992	75,939,052	676,785	436,928	1,354,964
11	Nov	2009	12,526,325	89,511,734	274,723	1,096,089	88,415,645	482,174	85,229	310,221	88,105,425	818,520	328,358	1,421,601
12	Dec	2009	22,263,618	111,775,352	325,755	1,421,844	110,353,508	575,559	102,629	412,850	109,940,658	988,175	397,208	1,711,137
13	Jan	2010	3,247,026	115,022,378	330,840	1,752,684	113,269,694	589,174	106,134	518,984	112,750,710	1,111,146	48,462	1,490,448
14	Feb	2010	3,367,962	118,390,340	336,923	2,089,607	116,300,732	603,851	109,665	628,649	115,672,084	1,139,743	48,462	1,525,129
15	Mar	2010	6,584,514	124,974,854	350,114	2,439,721	122,535,133	634,059	116,656	745,305	121,789,828	1,184,845	96,924	1,631,883
16	Apr	2010	7,706,337	132,681,190	362,834	2,802,555	129,878,635	673,134	127,484	872,788	129,005,847	1,251,376	96,924	1,711,134
17	May	2010	14,080,170	146,761,360	384,174	3,186,730	143,574,630	745,882	148,604	1,021,392	142,553,238	1,354,977	193,848	1,932,999
18	Jun	2010	17,316,820	164,078,180	409,623	3,596,353	160,481,827	868,113	188,366	1,209,758	159,272,069	1,505,994	242,310	2,157,927
19	Jul	2010	20,500,860	184,579,040	441,637	4,037,990	180,541,050	1,015,804	235,891	1,445,649	179,095,401	1,688,326	290,772	2,420,735
20	Aug	2010	18,907,040	203,486,080	470,904	4,508,894	198,977,186	1,149,191	278,667	1,724,316	197,252,870	1,877,836	266,541	2,615,280
21	Sept	2010	20,616,984	224,103,064	502,026	5,010,920	219,092,144	1,290,309	323,858	2,048,175	217,043,969	2,067,185	290,772	2,859,983
22	Oct	2010	22,314,738	246,417,801	535,693	5,546,613	240,871,188	1,444,754	373,478	2,421,653	238,449,535	2,272,740	315,003	3,123,436
23	Nov	2010	17,177,805	263,595,606	566,932	6,113,544	257,482,062	1,582,964	417,427	2,839,080	254,642,982	2,460,345	242,310	3,269,587
24	Dec	2010	19,813,680	283,409,286	596,343	6,709,888	276,699,398	1,735,742	468,111	3,307,191	273,392,208	2,634,696	290,772	3,521,811
25	Jan	2011	2,329,437	285,738,723	602,383	7,312,271	278,426,452	1,757,583	474,602	3,781,793	274,644,659	2,734,497	40,000	3,376,880
26	Feb	2011	3,629,437	289,368,159	610,071	7,922,342	281,445,817	1,784,496	482,501	4,264,294	277,181,523	2,753,404	70,000	3,433,475
27	Mar	2011	4,758,873	294,127,032	643,700	8,566,042	285,560,990	1,831,527	496,635	4,760,928	280,800,062	2,784,117	90,000	3,532,460
28	Apr	2011	-	294,127,032	643,700	9,209,742	284,917,290	1,852,371	505,198	5,266,126	279,651,164	2,796,440	-	3,454,783
29	May	2011	-	294,127,032	643,700	9,853,442	284,273,590	1,890,133	520,712	5,786,838	278,486,752	2,784,897	-	3,443,240
30	Jun	2011	-	294,127,032	643,700	10,497,142	283,629,890	1,924,873	534,985	6,321,823	277,308,068	2,773,206	-	3,431,549
31	Jul	2011	-	294,127,032	643,700	11,140,842	282,986,190	1,964,029	551,072	6,872,895	276,113,296	2,761,363	-	3,419,707
32	Aug	2011	-	294,127,032	643,700	11,784,542	282,342,491	2,004,109	567,538	7,440,433	274,902,058	2,749,358	-	3,407,702
33	Sept	2011	-	294,127,032	643,700	12,428,242	281,698,791	2,052,278	587,328	8,027,761	273,671,030	2,737,172	-	3,395,516
34	Oct	2011	-	294,127,032	643,700	13,071,942	281,055,091	2,106,504	609,606	8,637,367	272,417,724	2,724,776	-	3,383,120
35	Nov	2011	-	294,127,032	643,700	13,715,642	280,411,391	2,164,163	633,295	9,270,662	271,140,729	2,712,151	-	3,370,494
36	Dec	2011	-	294,127,032	643,700	14,359,342	279,767,691	2,200,955	648,410	9,919,072	269,848,619	2,699,332	-	3,357,676

**PSE&G Capital Stimulus Infrastructure Investment Program**

**Electric Revenue Requirements Calculation - Annual**

(\$'s)

	Program Assumption	Program Assumption	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Bk Depr - ' Worksheets	Prior Month + Col 3	Col 2 - Col 4	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Tax Depr - ' Worksheets	(Col 6 - Col 3) * (Income Tax Rate)	Prior + Col 7	Col 5 - Col 8	(Prior Col 9 + Col 9) / 2 * Monthly Pre Tax WACC	Program Assumption	Col 3 + Col 10 + Col 11	Sum of Apr to Mar from Attach F-2 Col 12
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<u>Year</u>	<u>Program Investment</u>	<u>Gross Plant</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>	<u>Net Plant</u>	<u>Tax Depreciation</u>	<u>Deferred Tax Exp</u>	<u>Accumulated Deferred Tax</u>	<u>Net Investment</u>	<u>Return Requirement</u>	<u>O&amp;M Expense</u>	<u>Calendar Revenue Requirements</u>	<u>Apr to Mar Revenue Requirements</u>
2009	136,513,867	136,513,867	1,611,216	1,611,216	134,902,651	2,032,362	173,024	173,024	134,729,628	4,966,974	2,200,000	8,778,190	16,604,778
2010	223,068,466	359,582,332	7,231,208	8,842,424	350,739,909	11,550,558	1,774,562	1,947,585	348,792,323	29,108,185	6,100,000	42,439,393	50,156,793
2011	44,581,800	404,164,132	11,647,509	20,489,933	383,674,200	24,339,783	5,214,494	7,162,079	376,512,120	45,449,144	1,700,000	58,796,653	57,402,835
2012	-	404,164,132	11,602,361	32,092,294	372,071,838	28,396,304	6,899,624	14,061,703	358,010,136	43,969,925	-	55,572,286	54,916,042
2013	-	404,164,132	11,360,285	43,452,578	360,711,554	26,037,314	6,029,911	20,091,614	340,619,940	41,822,797	-	53,183,082	52,660,875
2014	-	404,164,132	10,981,468	54,434,046	349,730,086	23,930,324	5,319,908	25,411,522	324,318,564	39,797,959	-	50,779,427	50,067,670
2015	-	404,164,132	10,382,494	64,816,540	339,347,592	21,739,394	4,665,869	30,077,390	309,270,202	37,927,209	-	48,309,703	47,818,273
2016	-	404,164,132	10,074,245	74,890,786	329,273,347	19,775,584	3,985,698	34,063,088	295,210,258	36,184,337	-	46,258,582	45,705,812
2017	-	404,164,132	9,712,435	84,603,221	319,560,911	18,313,403	3,533,622	37,596,710	281,964,202	34,554,321	-	44,266,757	43,871,894
2018	-	404,164,132	9,712,435	94,315,656	309,848,476	17,532,027	3,212,601	40,809,311	269,039,165	32,990,656	-	42,703,091	42,316,520
2019	-	404,164,132	9,712,435	104,028,091	300,136,041	17,410,273	3,162,580	43,971,891	256,164,150	31,446,723	-	41,159,158	40,773,738
2020	-	404,164,132	9,712,435	113,740,527	290,423,606	17,407,247	3,161,337	47,133,227	243,290,378	29,905,079	-	39,617,514	39,232,099
2021	-	404,164,132	9,712,435	123,452,962	280,711,170	17,408,888	3,162,011	50,295,238	230,415,932	28,363,385	-	38,075,821	37,690,389
2022	-	404,164,132	9,712,435	133,165,397	270,998,735	17,408,940	3,162,032	53,457,270	217,541,465	26,821,656	-	36,534,092	36,148,659
2023	-	404,164,132	9,712,435	142,877,832	261,286,300	17,408,940	3,162,032	56,619,302	204,666,998	25,279,927	-	34,992,362	34,606,930
2024	-	404,164,132	9,712,435	152,590,268	251,573,865	17,408,940	3,162,032	59,781,334	191,792,531	23,738,198	-	33,450,633	33,065,201
2025	-	404,164,132	9,712,435	162,302,703	241,861,429	17,408,940	3,162,032	62,943,366	178,918,064	22,196,468	-	31,908,904	31,523,471
2026	-	404,164,132	9,712,435	172,015,138	232,148,994	17,408,940	3,162,032	66,105,398	166,043,596	20,654,739	-	30,367,174	29,981,742
2027	-	404,164,132	9,712,435	181,727,573	222,436,559	17,408,940	3,162,032	69,267,430	153,169,129	19,113,010	-	28,825,445	28,440,012
2028	-	404,164,132	9,712,435	191,440,009	212,724,124	17,408,940	3,162,032	72,429,462	140,294,662	17,571,280	-	27,283,715	26,898,283
2009-2028	404,164,132		191,440,009			367,736,041	72,429,462			591,861,973	10,000,000	793,301,981	799,882,015

**PSE&G Capital Stimulus Infrastructure Investment Program**

**Gas Revenue Requirements Calculation - Annual**

(\$'s)

	Program Assumption	Program Assumption	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Bk Depr - ' Worksheets	Prior Month + Col 3	Col 2 - Col 4	Refer to 'CAC Elec RR Part1.xls' thru 'CAC Elec RR Part4.xls' 'Tax Depr - ' Worksheets	(Col 6 - Col 3) * [Income Tax Rate]	Prior + Col 7	Col 5 - Col 8	(Prior Col 9 + Col 9) / 2 * Monthly Pre Tax WACC	Program Assumption	Col 3 + Col 10 + Col 11	Sum of Apr to Mar from Attach F-3 Col 12
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	<u>Program Investment</u>	<u>Gross Plant</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>	<u>Net Plant</u>	<u>Tax Depreciation</u>	<u>Deferred Tax Exp</u>	<u>Accumulated Deferred Tax</u>	<u>Net Investment</u>	<u>Return Requirement</u>	<u>O&amp;M Expense</u>	<u>Calendar Revenue Requirements</u>	<u>Apr to Mar Revenue Requirements</u>
Year													
2009	111,775,352	111,775,352	1,421,844	1,421,844	110,353,508	2,426,736	412,850	412,850	109,940,658	3,824,496	2,648,050	7,894,389	12,541,849
2010	171,633,935	283,409,286	5,288,044	6,709,888	276,699,398	12,332,978	2,894,340	3,307,191	273,392,208	20,549,208	2,423,100	28,260,353	33,955,708
2011	10,717,746	294,127,032	7,649,454	14,359,342	279,767,691	23,533,021	6,611,881	9,919,072	269,848,619	33,010,714	200,000	41,006,601	40,659,277
2012	-	294,127,032	7,626,792	21,986,133	272,140,899	25,412,569	7,410,640	17,329,712	254,811,187	31,397,113	-	39,199,624	38,700,564
2013	-	294,127,032	7,499,474	29,485,608	264,641,425	22,228,660	6,154,870	23,484,583	241,156,842	29,684,851	-	37,360,045	36,951,251
2014	-	294,127,032	6,964,474	36,450,082	257,676,950	19,717,249	5,342,882	28,827,464	228,849,486	28,120,735	-	35,260,929	34,569,851
2015	-	294,127,032	6,067,222	42,517,304	251,609,728	17,369,019	4,746,762	33,574,226	218,035,502	26,746,631	-	32,989,572	32,596,008
2016	-	294,127,032	5,511,193	48,028,497	246,098,535	15,783,504	4,323,808	37,898,034	208,200,501	25,510,491	-	31,197,404	30,646,925
2017	-	294,127,032	4,662,782	52,691,279	241,435,753	15,147,941	4,411,254	42,309,288	199,126,465	24,384,039	-	29,222,541	28,835,340
2018	-	294,127,032	4,365,119	57,056,398	237,070,634	14,867,103	4,418,167	46,727,455	190,343,179	23,318,897	-	27,859,735	27,594,782
2019	-	294,127,032	4,362,854	61,419,252	232,707,780	14,772,642	4,380,289	51,107,744	181,600,036	22,270,257	-	26,808,831	26,547,087
2020	-	294,127,032	4,362,854	65,782,107	228,344,926	14,771,928	4,379,996	55,487,739	172,857,186	21,223,290	-	25,761,864	25,500,123
2021	-	294,127,032	4,362,854	70,144,961	223,982,071	14,771,928	4,379,996	59,867,735	164,114,336	20,176,326	-	24,714,900	24,453,159
2022	-	294,127,032	4,362,854	74,507,815	219,619,217	14,771,928	4,379,996	64,247,731	155,371,486	19,129,361	-	23,667,935	23,406,194
2023	-	294,127,032	4,362,854	78,870,670	215,256,363	14,771,928	4,379,996	68,627,726	146,628,636	18,082,397	-	22,620,971	22,359,230
2024	-	294,127,032	4,362,854	83,233,524	210,893,508	13,915,711	4,028,227	72,655,954	138,237,555	17,044,623	-	21,583,197	21,336,072
2025	-	294,127,032	4,362,854	87,596,378	206,530,654	9,549,413	2,234,377	74,890,331	131,640,323	16,126,507	-	20,665,081	20,478,516
2026	-	294,127,032	4,362,854	91,959,233	202,167,800	3,192,632	(377,242)	74,513,089	127,654,711	15,504,298	-	20,042,872	19,930,587
2027	-	294,127,032	4,362,854	96,322,087	197,804,945	325,394	(1,555,218)	72,957,870	124,847,075	15,118,225	-	19,656,799	19,572,926
2028	-	294,127,032	4,362,854	100,684,941	193,442,091	304,678	(1,563,729)	71,394,141	122,047,950	14,782,954	-	19,321,528	19,237,728
	294,127,032		100,684,941			269,966,963	71,394,141			426,005,412	5,271,150	535,095,170	539,873,177

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

		<u>Apr - Mar Revenue Requirements (000)&gt;&gt;</u>				\$16,605	<u>Year 2009</u>			
		<u>Capital Adjustment Factor (CAF)&gt;&gt;</u>				1.6949%				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Assumption	Input	Col 1 * Col 2	Input	Col 2 - Col 4	Col 5 * CAF	Col 2 + Col 6	Col 1 * Col 7	Col 8 - Col 3
Rate Schedule	Rate Components	Units (000)	Present Rates w /o SUT	Present Revenue (000)	TEFA	Present Rates w/o SUT, w/o TEFA	CAC (w/o SUT)	Present Rates w /o SUT + CAC	Proposed Revenue	Capital Adjustment Charge Revenue (000)
<b>RS</b>	Service Charge	per month	21,793.356	\$2.27	\$49,471	\$2.27	\$0.04	\$2.31	\$50,343	\$872
	Distribution 0-600, June-September	c/kWhr	3,622.943	\$0.028590	103,580	\$0.002890	\$0.025700	\$0.000436	\$0.029026	1,580
	Distribution 0-600, October-May	c/kWhr	6,344.033	\$0.036234	229,870	\$0.002890	\$0.033344	\$0.000565	\$0.036799	3,584
	Distribution over 600, June-September	c/kWhr	1,994.513	\$0.032411	64,644	\$0.002890	\$0.029521	\$0.000500	\$0.032911	997
	Distribution over 600, October-May	c/kWhr	1,723.246	\$0.036234	62,440	\$0.002890	\$0.033344	\$0.000565	\$0.036799	974
	BRDKA	c/kWhr	13,684.735	(\$0.000499)	<u>(6,829)</u>	(\$0.000499)	(\$0.000008)	(\$0.000507)	<u>(6,938)</u>	<u>(109)</u>
	Total			\$503,176					\$511,074	\$7,898
<b>RHS</b>	Service Charge	per month	134.028	\$2.27	\$304	\$2.27	\$0.04	\$2.31	\$310	\$6
	Distribution 0-600, June-September	c/kWhr	21,068	\$0.046028	970	\$0.002890	\$0.043138	\$0.000731	\$0.046759	15
	Distribution 0-600, October-May	c/kWhr	48,832	\$0.030710	1,500	\$0.002890	\$0.027820	\$0.000472	\$0.031182	23
	Distribution over 600, June-September	c/kWhr	16,511	\$0.050928	841	\$0.002890	\$0.048038	\$0.000814	\$0.051742	13
	Distribution over 600, October-May	c/kWhr	80,044	\$0.013110	1,049	\$0.002890	\$0.010220	\$0.000173	\$0.013283	14
	Common Use	c/kWhr	0	\$0.050928	0	\$0.002890	\$0.048038	\$0.000814	\$0.051742	0
	BRDKA	c/kWhr	166,455	(\$0.000499)	<u>(83)</u>	(\$0.000499)	(\$0.000008)	(\$0.000507)	<u>(84)</u>	<u>(1)</u>
	Total			\$4,581					\$4,651	\$70
<b>RLM</b>	Service Charge	per month	163.949	\$13.07	\$2,143	\$13.07	\$0.22	\$13.29	\$2,179	\$36
	Distribution, June-September, On-Peak	c/kWhr	57,985	\$0.052067	3,019	\$0.002000	\$0.050067	\$0.000849	\$0.052916	49
	Distribution, June-September, Off-Peak	c/kWhr	66,376	\$0.013632	905	\$0.002000	\$0.011632	\$0.000197	\$0.013829	13
	Distribution, October-May, On-Peak	c/kWhr	74,188	\$0.013632	1,011	\$0.002000	\$0.011632	\$0.000197	\$0.013829	15
	Distribution, October-May, Off-Peak	c/kWhr	97,756	\$0.013632	1,333	\$0.002000	\$0.011632	\$0.000197	\$0.013829	19
	BRDKA	c/kWhr	296,305	(\$0.000499)	<u>(148)</u>	(\$0.000499)	(\$0.000008)	(\$0.000507)	<u>(150)</u>	<u>(2)</u>
	Total			\$8,263					\$8,393	\$130
<b>WH</b>	Distribution Sum	c/kWhr	968	\$0.041207	\$40	\$0.001580	\$0.039627	\$0.000672	\$0.041879	\$1
	Distribution Win	c/kWhr	2,327	\$0.041207	96	\$0.001580	\$0.039627	\$0.000672	\$0.041879	1
	BRDKA	c/kWhr	3,295	(\$0.000499)	<u>(2)</u>	(\$0.000499)	(\$0.000008)	(\$0.000507)	<u>(2)</u>	<u>0</u>
	Total			\$134					\$136	\$2
<b>WHS</b>	Service Charge	per month	0.419	\$0.52	\$0.218	\$0.52	\$0.01	\$0.53	\$0.222	\$0.004
	Distribution Sum	c/kWhr	14	\$0.001580	0.022	\$0.001580	\$0.000000	\$0.001580	0.022	0.000
	Distribution Win	c/kWhr	33	\$0.001580	0.052	\$0.001580	\$0.000000	\$0.001580	0.052	0.000
	BRDKA	c/kWhr	47	(\$0.000499)	<u>(0.023)</u>	(\$0.000499)	(\$0.000008)	(\$0.000507)	<u>(0.024)</u>	<u>(0.001)</u>
	Total			\$0.269					\$0.272	\$0.003
<b>HS</b>	Service Charge	per month	19.954	\$3.11	\$62	\$3.11	\$0.05	\$3.16	\$63	\$1
	Distribution, June-September	c/kWhr	4,446	\$0.076324	339	\$0.002720	\$0.073604	\$0.001248	\$0.077572	6
	Distribution, October-May	c/kWhr	20,097	\$0.029743	598	\$0.002720	\$0.027023	\$0.000458	\$0.030201	9
	BRDKA	c/kWhr	24,543	(\$0.000499)	<u>(12)</u>	(\$0.000499)	(\$0.000008)	(\$0.000507)	<u>(12)</u>	<u>0</u>
	Total			\$987					\$1,003	\$16
<b>GLP</b>	Service Charge	per month	2,927.018	\$3.96	\$11,591	\$3.96	\$0.07	\$4.03	\$11,796	\$205
	Service Charge-Unmetered	per month	204.009	\$1.83	373	\$1.83	\$0.03	\$1.86	379	6
	Service Charge-Night Use	per month	0.959	\$347.77	334	\$347.77	\$5.89	\$353.66	339	5
	Annual Demand	\$/kW	29,930	\$3.6393	108,924	\$3.6393	\$0.0617	\$3.7010	110,771	1,847
	Summer Demand, June-September	\$/kW	10,930	\$6.7542	73,823	\$6.7542	\$0.1145	\$6.8687	75,075	1,252
	Distribution kWhr, June-September	c/kWhr	3,156.115	\$0.011267	35,560	\$0.002720	\$0.008547	\$0.000145	\$0.011412	458
	Distribution kWhr, October-May	c/kWhr	5,491.899	\$0.005725	31,441	\$0.002720	\$0.003005	\$0.000051	\$0.005776	280
	Distribution kWhr, Night use, June-September	c/kWhr	9,683	\$0.005725	55	\$0.002720	\$0.003005	\$0.000051	\$0.005776	1
	Distribution kWhr, Night use, October-May	c/kWhr	19,702	\$0.005725	113	\$0.002720	\$0.003005	\$0.000051	\$0.005776	1
	BRDKA	c/kWhr	8,677.399	(\$0.000499)	<u>(4,330)</u>	(\$0.000499)	(\$0.000008)	(\$0.000507)	<u>(4,399)</u>	<u>(69)</u>
	Total			\$257,884					\$261,870	\$3,986

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

**Apr - Mar Revenue Requirements (000)>> \$16,605** **Year 2009**

**Capital Adjustment Factor (CAF)>> 1.6949%**

Rate Schedule	Rate Components		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			Assumption	Input	Col 1 * Col 2	Input	Col 2 - Col 4	Col 5 * CAF	Col 2 + Col 6	Col 1 * Col 7	Col 8 - Col 3
			<u>Present Rates w</u>		<u>Present</u>	<u>TEFA</u>	<u>Present</u>	<u>Present Rates w</u>	<u>Proposed</u>	<u>Capital</u>	
		<u>Units (000)</u>	<u>/o SUT</u>	<u>Revenue (000)</u>	<u>Revenue (000)</u>		<u>SUT, w/o</u>	<u>TEFA</u>	<u>to SUT + CAC</u>	<u>Revenue</u>	<u>Adjustment</u>
							<u>SUT</u>	<u>CAC (w/o</u>			<u>(000)</u>
								<u>SUT)</u>			
<b>LPL-Sec</b>	Service Charge	per month	96,599	\$347.77	\$33,594		\$347.77	\$5.89	\$353.66	\$34,163	\$569
	Annual Demand	\$/kW	30,739	\$3.0144	92,660		\$3.0144	\$0.0511	\$3.0655	94,230	1,570
	Summer Demand, June-September	\$/kW	10,534	\$7.1715	75,545		\$7.1715	\$0.1215	\$7.2930	76,824	1,279
	Distribution	¢/kWhr	12,696,019	\$0.002110	26,789	\$0.002110	\$0.000000	\$0.000000	\$0.002110	26,789	0
	BRDKA	¢/kWhr	12,696,019	(\$0.000499)	(6,335)		(\$0.000499)	(\$0.000008)	(\$0.000507)	(6,437)	(102)
	<b>Total</b>				\$22,253					\$225,569	\$3,316
<b>LPL-Pri</b>	Service Charge	per month	10,349	\$347.77	\$3,599		\$347.77	\$5.89	\$353.66	\$3,660	\$61
	Service Charge-Primary Alternate	per month	0,045	\$17.88	1		\$17.88	\$0.30	\$18.18	1	0
	Annual Demand	\$/kW	8,680	\$1.4619	12,689		\$1.4619	\$0.0248	\$1.4867	12,905	216
	Summer Demand, June-September	\$/kW	3,161	\$8.1153	25,652		\$8.1153	\$0.1375	\$8.2528	26,087	435
	Distribution	¢/kWhr	4,092,582	\$0.002020	8,267	\$0.002020	\$0.000000	\$0.000000	\$0.002020	8,267	0
	BRDKA	¢/kWhr	4,092,582	(\$0.000499)	(2,042)		(\$0.000499)	(\$0.000008)	(\$0.000507)	(2,075)	(33)
	<b>Total</b>				\$48,166					\$48,845	\$679
<b>HTS-Subtr</b>	Service Charge	per month	2,304	\$1,911.39	\$4,404		\$1,911.39	\$32.40	\$1,943.79	\$4,478	\$74
	Annual Demand	\$/kW	13,381	\$0.9602	12,848		\$0.9602	\$0.0163	\$0.9765	13,067	219
	Summer Demand, June-September	\$/kW	3,145	\$3.4712	10,917		\$3.4712	\$0.0588	\$3.5300	11,102	185
	Distribution	¢/kWhr	4,275,228	\$0.001470	6,285	\$0.001470	\$0.000000	\$0.000000	\$0.001470	6,285	0
	BRDKA	¢/kWhr	4,275,228	(\$0.000499)	(2,133)		(\$0.000499)	(\$0.000008)	(\$0.000507)	(2,168)	(35)
	<b>Total</b>				\$32,321					\$32,764	\$443
<b>HTS-HV</b>	Service Charge	per month	0.132	\$1,720.25	\$227		\$1,720.25	\$29.16	\$1,749.41	\$231	\$4
	Annual Demand	\$/kW	1,785	\$0.6034	1,077		\$0.6034	\$0.0102	\$0.6136	1,095	18
	Distribution	¢/kWhr	457,365	\$0.001470	672	\$0.001470	\$0.000000	\$0.000000	\$0.001470	672	0
	BRDKA	¢/kWhr	457,365	(\$0.000499)	(228)		(\$0.000499)	(\$0.000008)	(\$0.000507)	(232)	(4)
	<b>Total</b>				\$1,748					\$1,766	\$18
<b>HEP</b>	Fixed Charge	per month	0.012	\$25,416.66	\$305		\$25,416.66	\$430.79	\$25,847.45	\$310	\$5
	Distribution	¢/kWhr	71,109	\$0.001470	105	\$0.001470	\$0.000000	\$0.000000	\$0.001470	105	0
	BRDKA	¢/kWhr	71,109	(\$0.000499)	(35)		(\$0.000499)	(\$0.000008)	(\$0.000507)	(36)	(1)
	<b>Total</b>				\$375					\$379	\$4
<b>BPL</b>	Distribution Sum	¢/kWhr	88,238	\$0.007194	\$635	\$0.001680	\$0.005514	\$0.000093	\$0.007287	\$643	\$8
	Distribution Win	¢/kWhr	227,697	\$0.007194	1,638	\$0.001680	\$0.005514	\$0.000093	\$0.007287	1,659	21
	BRDKA	¢/kWhr	315,935	(\$0.000499)	(158)		(\$0.000499)	(\$0.000008)	(\$0.000507)	(160)	(2)
	<b>Total</b>				\$2,115					\$2,142	\$27
<b>BPL-POF</b>	Distribution Sum	¢/kWhr	4,449	\$0.007190	\$32	\$0.001680	\$0.005510	\$0.000093	\$0.007283	\$32	\$0
	Distribution Win	¢/kWhr	11,414	\$0.007190	82	\$0.001680	\$0.005510	\$0.000093	\$0.007283	83	1
	BRDKA	¢/kWhr	15,863	(\$0.000499)	(8)		(\$0.000499)	(\$0.000008)	(\$0.000507)	(8)	0
	<b>Total</b>				\$106					\$107	\$1
<b>PSAL</b>	Distribution Sum	¢/kWhr	46,690	\$0.007557	\$353	\$0.001680	\$0.005877	\$0.000100	\$0.007657	\$358	\$5
	Distribution Win	¢/kWhr	120,553	\$0.007557	911	\$0.001680	\$0.005877	\$0.000100	\$0.007657	923	12
	BRDKA	¢/kWhr	167,243	(\$0.000499)	(83)		(\$0.000499)	(\$0.000008)	(\$0.000507)	(85)	(2)
	<b>Total</b>				\$1,181					\$1,196	\$15
<b>Grand Total CAC Revenue (000)</b>											<b>\$16,605</b>

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

**Apr - Mar Revenue Requirements (000)>> \$12,542**

**Year  
2009**

**Capital Adjustment Factor (CAF)>> 1.9540%**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Assumption	Input	Col 1 * Col 2	Input	Col 2 - Col 4	Col 5 * CAF	Col 2 + Col 6	Col 1 * Col 7	Col 8 - Col 3

<u>Rate Schedule</u>	<u>Rate Component</u>	<u>Rate Units</u>	<u>Units (000)</u>	<u>Current Rates w/o SUT</u>	<u>Current Revenue (000)</u>	<u>TEFA Rate</u>	<u>Current Rates w/o SUT, w/o TEFA</u>	<u>Capital Charges (w/o SUT)</u>	<u>Current Rates w/o SUT +CAC</u>	<u>Proposed Revenue</u>	<u>Capital Adjustment Charge Revenue (000)</u>
<b>RSG</b>	Service Charge	per month	19,049.661	\$5.46	\$104,011		\$5.46	\$0.11	\$5.57	\$106,107	\$2,096
	Distribution Charge	c/Therm	1,419,005	\$0.277530	393,816	\$0.023625	\$0.253905	\$0.004961	\$0.282491	400,856	7,040
	Off-Peak Use	c/Therm	0	\$0.138765	0	\$0.016845	\$0.121920	\$0.002382	\$0.141147	0	0
	Margin Adjustment Charge	c/Therm	1,419,005	(\$0.007341)	(10,417)		See Note 1 - Pg. 2	(\$0.000282)	(\$0.007623)	(10,817)	(400)
	BGSS-RSG	c/Therm	1,419,005	\$1.031261	<u>1,463,365</u>		See Note 2 - Pg. 2	(\$0.000058)	\$1.031203	<u>1,463,282</u>	<u>(83)</u>
	<b>Total</b>				<b>\$1,950,775</b>					<b>\$1,959,428</b>	<b>\$8,653</b>
<b>GSG</b>	Service Charge	per month	1,673.893	\$9.28	\$15,534		\$9.28	\$0.18	\$9.46	\$15,835	\$301
	Distribution Charge - Pre July 14, 1997	c/Therm	3,086	\$0.222848	688	\$0.002108	\$0.220740	\$0.004313	\$0.227161	701	13
	Distribution Charge - All Others	c/Therm	262,674	\$0.244140	64,129	\$0.023400	\$0.220740	\$0.004313	\$0.248453	65,262	1,133
	Off-Peak Use Dist Charge - Pre July 14, 1997	c/Therm	0	\$0.111424	0	\$0.002108	\$0.109316	\$0.002136	\$0.113560	0	0
	Off-Peak Use Dist Charge - All Others	c/Therm	0	\$0.122070	0	\$0.002396	\$0.119674	\$0.002338	\$0.124408	0	0
	Margin Adjustment Charge	c/Therm	265,760	(\$0.007341)	(1,951)		See Note 1 - Pg. 2	(\$0.000282)	(\$0.007623)	(2,026)	(75)
	BGSS-F	c/Therm	265,760	\$1.041113	<u>276,686</u>		See Note 2 - Pg. 2	(\$0.000058)	\$1.041055	<u>276,671</u>	<u>(15)</u>
	<b>Total</b>				<b>\$355,086</b>					<b>\$356,443</b>	<b>\$1,357</b>
<b>LVG</b>	Service Charge	per month	217.515	\$85.88	\$18,680		\$85.88	\$1.68	\$87.56	\$19,046	\$366
	Demand Charge	\$/Demand Therm	17,478	\$3.2795	57,319		\$3.2795	\$0.0641	\$3.3436	58,439	1,120
	Distribution Charge 0-1,000 pre July 14, 1997	c/Therm	13,765	\$0.053325	734	\$0.002108	\$0.051217	\$0.001001	\$0.054326	748	14
	Distribution Charge over 1,000 pre July 14, 1997	c/Therm	79,786	\$0.032017	2,555	\$0.002108	\$0.029909	\$0.000584	\$0.032601	2,601	46
	Distribution Charge 0-1,000 post July 14, 1997	c/Therm	167,874	\$0.062467	10,487	\$0.011250	\$0.051217	\$0.001001	\$0.063468	10,655	168
	Distribution Charge over 1,000 post July 14, 1997	c/Therm	412,544	\$0.041159	16,980	\$0.011250	\$0.029909	\$0.000584	\$0.041743	17,221	241
	Margin Adjustment Charge	c/Therm	673,969	(\$0.007341)	(4,948)		See Note 1 - Pg. 2	(\$0.000282)	(\$0.007623)	(5,138)	(190)
	BGSS-F	c/Therm	673,969	\$1.055600	<u>711,442</u>		See Note 2 - Pg. 2	(\$0.000058)	\$1.055542	<u>711,403</u>	<u>(39)</u>
	<b>Total</b>				<b>\$813,249</b>					<b>\$814,975</b>	<b>\$1,726</b>
<b>SLG</b>	Single-Mantle Lamp	Monthly per Unit	10.392	\$10.4975	\$109.090	See Note 3 - Pg. 2	\$10.0052	\$0.1955	\$10.6930	\$111.122	\$2,032
	Double-Mantle Lamp, inverted	Monthly per Unit	0.108	\$10.4975	1.134	See Note 3 - Pg. 2	\$9.9583	\$0.1946	\$10.6921	1.155	0.021
	Double Mantle Lamp, upright	Monthly per Unit	0.504	\$10.4975	5.291	See Note 3 - Pg. 2	\$9.5129	\$0.1859	\$10.6834	5.384	0.093
	Triple-Mantle Lamp, prior to January 1, 1993	Monthly per Unit	18.144	\$10.4975	190.467	See Note 3 - Pg. 2	\$9.9583	\$0.1946	\$10.6921	193.997	3.530
	Triple-Mantle Lamp, on and after January 1, 1993	Monthly per Unit	0.144	\$61.1111	8.800	See Note 3 - Pg. 2	\$60.5719	\$1.1836	\$62.2947	8.970	0.170
	Margin Adjustment Charge	c/Therm	672.032	(\$0.007341)	(4,933)		See Note 1 - Pg. 2	(\$0.000282)	(\$0.007623)	(5.123)	(0.190)
	BGSS-F	c/Therm	672.032	1.11434	<u>748,872</u>		See Note 2 - Pg. 2	(\$0.000058)	\$1.114282	<u>748,833</u>	<u>(0.039)</u>
	<b>Total</b>				<b>\$1,058,721</b>					<b>\$1,064,338</b>	<b>\$5,617</b>
<b>TSG-F</b>	Service Charge	per month	0.813	\$441.01	\$359		\$441.01	\$8.62	\$449.63	\$366	\$7
	Demand Charge	\$/Demand Therm	699	\$1.6268	1,137		\$1.6268	\$0.0318	\$1.6586	1,159	22
	Distribution Charge	c/Therm	40,369	\$0.064289	2,595	\$0.002108	\$0.062181	\$0.001215	\$0.065504	2,644	49
	Margin Adjustment Charge	c/Therm	40,369	(\$0.007341)	(296)		See Note 1 - Pg. 2	(\$0.000282)	(\$0.007623)	(308)	(12)
	<b>Total</b>				<b>\$3,795</b>					<b>\$3,861</b>	<b>\$66</b>

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

		<u>Apr - Mar Revenue Requirements (000)&gt;&gt;</u>					<u>Year</u>				
							<u>2009</u>				
		<u>Capital Adjustment Factor (CAF)&gt;&gt;</u>					<u>1.9540%</u>				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Assumption	Input	Col 1 * Col 2	Input	Col 2 - Col 4	Col 5 * CAF	Col 2 + Col 6	Col 1 * Col 7	Col 8 - Col 3	
Rate Schedule	Rate Component	Rate Units	Units (000)	Current Rates w/o SUT	Current Revenue (000)	TEFA Rate	Current Rates w/o SUT, w/o TEFA	Capital Adjustment Charges (w/o SUT)	Current Rates w/o SUT +CAC	Proposed Revenue	Capital Adjustment Charge Revenue (000)
<b>TSG-NF</b>	Service Charge	per month	3.236	\$441.01	\$1,427		\$441.01	\$8.62	\$449.63	\$1,455	\$28
	Distribution Charge 0-50,000	¢/Therm	275,648	\$0.064456	17,767	\$0.001786	\$0.062670	\$0.001225	\$0.065681	18,105	338
	Distribution Charge over 50,000	¢/Therm	252,459	\$0.064456	<u>16,272</u>	\$0.001786	\$0.062670	\$0.001225	\$0.065681	<u>16,582</u>	<u>310</u>
	Total				\$35,466					\$36,142	\$676
<b>CIG</b>	Service Charge	per month	0.300	\$122.49	\$37		\$122.49	\$2.39	\$124.88	\$37	\$0
	Distribution Charge 0-600,000	¢/Therm	36,726	\$0.055730	2,047		\$0.055730	\$0.001089	\$0.056819	2,087	40
	Distribution Charge over 600,000	¢/Therm	20,659	\$0.045730	945		\$0.045730	\$0.000894	\$0.046624	963	18
	Extended Gas Service, Special Delivery Charge	¢/Therm	0	\$0.100813	<u>0</u>		\$0.100813	\$0.001970	\$0.102783	<u>0</u>	<u>0</u>
	Total				\$3,029					\$3,087	\$58
<b>Grand Total CAC Revenue</b>										<b>\$12,542</b>	

**Redistribution of Revenue Calculations**

**(1) MAC Calc**

	Therms	TSG-NF CAC Revenue Adjustment	Differential Rate
RSG	1,419,005		
GSG	265,760		
LVG	673,969		
SLG	672,032		
TSG-F	<u>40,369</u>		
	2,399,775	(\$676)	(0.000282)

**(2) BGSS Offset Calc**

		BGSS CAC Revenue Adjustment	Therms	Allocated CAC Revenue	BGSS Adjustment Rate
BGSS Adjustment Amount	TSG-F	(\$78)	1,419,005.000	(81.794)	(0.000058)
	CIG	<u>(\$58)</u>	<u>940,401.032</u>	<u>(54.206)</u>	<u>(0.000058)</u>
		(\$136)	2,359,406.032	(136.000)	

**(3) SLG TEFA Adj**

	Therms/Day	Ave. Days/ Month	Monthly Therms/Lamp	Current TEFA rate/Therm	TEFA Amount in Lamp Charge	Lamp Charge	Lamp Charge Excl TEFA
Single	0.69	30.416667	21	0.023443	0.4923	\$10.4975	\$10.0052
Double Mantle, inverted	0.77	30.416667	23	0.023443	0.5392	\$10.4975	\$9.9583
Double Mantle, upright	1.37	30.416667	42	0.023443	0.9846	\$10.4975	\$9.5129
Triple (prior to 1/1/93)	0.77	30.416667	23	0.023443	0.5392	\$10.4975	\$9.9583
Triple (on or after 1/1/93)	0.77	30.416667	23	0.023443	0.5392	\$61.1111	\$60.5719

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

Rate Schedule	Rate Component		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			Without SUT									
			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
		Apr-Mar Rev Req (000)>	\$16,605	\$50,157	\$57,403	\$54,916	\$52,661	\$50,068	\$47,818	\$45,706	\$43,872	\$42,317
<b>RS</b>	Service Charge	per month	\$0.04	\$0.12	\$0.13	\$0.13	\$0.12	\$0.12	\$0.11	\$0.11	\$0.10	\$0.10
	Distribution 0-600, June-September	¢/kWhr	0.0436	0.1319	0.1513	0.1445	0.1389	0.1317	0.1260	0.1201	0.1156	0.1114
	Distribution 0-600, October-May	¢/kWhr	0.0565	0.1712	0.1964	0.1874	0.1801	0.1709	0.1634	0.1558	0.1499	0.1445
	Distribution over 600, June-September	¢/kWhr	0.0500	0.1516	0.1738	0.1660	0.1595	0.1513	0.1447	0.1379	0.1327	0.1280
	Distribution over 600, October-May	¢/kWhr	0.0565	0.1712	0.1964	0.1874	0.1801	0.1709	0.1634	0.1558	0.1499	0.1445
<b>RHS</b>	Service Charge	per month	\$0.04	\$0.12	\$0.13	\$0.13	\$0.12	\$0.12	\$0.11	\$0.11	\$0.10	\$0.10
	Distribution 0-600, June-September	¢/kWhr	0.0731	0.2215	0.2540	0.2425	0.2331	0.2210	0.2114	0.2015	0.1940	0.1870
	Distribution 0-600, October-May	¢/kWhr	0.0472	0.1428	0.1638	0.1564	0.1503	0.1425	0.1364	0.1300	0.1251	0.1206
	Distribution over 600, June-September	¢/kWhr	0.0814	0.2466	0.2829	0.2701	0.2595	0.2461	0.2354	0.2244	0.2160	0.2082
	Distribution over 600, October-May	¢/kWhr	0.0173	0.0525	0.0602	0.0575	0.0552	0.0524	0.0501	0.0477	0.0460	0.0443
	Common Use	¢/kWhr	0.0814	0.2466	0.2829	0.2701	0.2595	0.2461	0.2354	0.2244	0.2160	0.2082
<b>RLM</b>	Service Charge	per month	\$0.22	\$0.67	\$0.77	\$0.73	\$0.71	\$0.67	\$0.64	\$0.61	\$0.59	\$0.57
	Distribution, June-September, On-Peak	¢/kWhr	0.0849	0.2571	0.2948	0.2815	0.2705	0.2565	0.2454	0.2339	0.2251	0.2170
	Distribution, June-September, Off-Peak	¢/kWhr	0.0197	0.0597	0.0685	0.0654	0.0628	0.0596	0.0570	0.0543	0.0523	0.0504
	Distribution, October-May, On-Peak	¢/kWhr	0.0197	0.0597	0.0685	0.0654	0.0628	0.0596	0.0570	0.0543	0.0523	0.0504
	Distribution, October-May, Off-Peak	¢/kWhr	0.0197	0.0597	0.0685	0.0654	0.0628	0.0596	0.0570	0.0543	0.0523	0.0504
<b>WH</b>	Distribution	¢/kWhr	0.0672	0.2035	0.2334	0.2228	0.2141	0.2030	0.1942	0.1851	0.1782	0.1718
<b>WHS</b>	Service Charge	per month	\$0.01	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.02	\$0.02	\$0.02
	Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>HS</b>	Service Charge	per month	\$0.05	\$0.16	\$0.18	\$0.17	\$0.17	\$0.16	\$0.15	\$0.15	\$0.14	\$0.13
	Distribution, June-September	¢/kWhr	0.1247	0.3779	0.4335	0.4138	0.3977	0.3771	0.3607	0.3439	0.3310	0.3190
	Distribution, October-May	¢/kWhr	0.0458	0.1387	0.1591	0.1519	0.1460	0.1385	0.1324	0.1262	0.1215	0.1171
<b>GLP</b>	Service Charge	per month	\$0.07	\$0.20	\$0.23	\$0.22	\$0.21	\$0.20	\$0.19	\$0.19	\$0.18	\$0.17
	Service Charge-Unmetered	per month	\$0.03	\$0.09	\$0.11	\$0.10	\$0.10	\$0.09	\$0.09	\$0.09	\$0.08	\$0.08
	Service Charge-Night Use	per month	\$5.89	\$17.86	\$20.48	\$19.55	\$18.79	\$17.82	\$17.04	\$16.25	\$15.64	\$15.07
	Annual Demand	\$/kW	\$0.0617	\$0.1868	\$0.2143	\$0.2046	\$0.1966	\$0.1865	\$0.1784	\$0.1700	\$0.1637	\$0.1577
	Summer Demand, June-September	\$/kW	\$0.1145	\$0.3468	\$0.3978	\$0.3797	\$0.3649	\$0.3461	\$0.3310	\$0.3155	\$0.3037	\$0.2927
	Distribution kWhr, June-September	¢/kWhr	0.0145	0.0439	0.0503	0.0480	0.0462	0.0438	0.0419	0.0399	0.0384	0.0370
	Distribution kWhr, October-May	¢/kWhr	0.0051	0.0154	0.0177	0.0169	0.0162	0.0154	0.0147	0.0140	0.0135	0.0130
	Distribution kWhr, Night use, June-September	¢/kWhr	0.0051	0.0154	0.0177	0.0169	0.0162	0.0154	0.0147	0.0140	0.0135	0.0130
	Distribution kWhr, Night use, October-May	¢/kWhr	0.0051	0.0154	0.0177	0.0169	0.0162	0.0154	0.0147	0.0140	0.0135	0.0130
<b>LPL-Sec</b>	Service Charge	per month	\$5.89	\$17.86	\$20.48	\$19.55	\$18.79	\$17.82	\$17.04	\$16.25	\$15.64	\$15.07
	Annual Demand	\$/kW	\$0.0511	\$0.1548	\$0.1775	\$0.1695	\$0.1629	\$0.1545	\$0.1477	\$0.1408	\$0.1356	\$0.1307
	Summer Demand, June-September	\$/kW	\$0.1215	\$0.3682	\$0.4223	\$0.4032	\$0.3875	\$0.3675	\$0.3515	\$0.3350	\$0.3225	\$0.3108
	Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>LPL-Pri</b>	Service Charge	per month	\$5.89	\$17.86	\$20.48	\$19.55	\$18.79	\$17.82	\$17.04	\$16.25	\$15.64	\$15.07
	Service Charge-Primary Alternate	per month	\$0.30	\$0.92	\$1.05	\$1.01	\$0.97	\$0.92	\$0.88	\$0.84	\$0.80	\$0.77
	Annual Demand	\$/kW	\$0.0248	\$0.0751	\$0.0861	\$0.0822	\$0.0790	\$0.0749	\$0.0717	\$0.0683	\$0.0657	\$0.0634
	Summer Demand, June-September	\$/kW	\$0.1375	\$0.4167	\$0.4779	\$0.4562	\$0.4385	\$0.4158	\$0.3977	\$0.3791	\$0.3649	\$0.3517
	Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>HTS-Subtr</b>	Service Charge	per month	\$32.40	\$98.13	\$112.56	\$107.45	\$103.27	\$97.94	\$93.68	\$89.29	\$85.95	\$82.84
	Annual Demand	\$/kW	\$0.0163	\$0.0493	\$0.0565	\$0.0540	\$0.0519	\$0.0492	\$0.0471	\$0.0449	\$0.0432	\$0.0416
	Summer Demand, June-September	\$/kW	\$0.0588	\$0.1782	\$0.2044	\$0.1951	\$0.1875	\$0.1779	\$0.1701	\$0.1622	\$0.1561	\$0.1505
	Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>HTS-HV</b>	Service Charge	per month	\$29.16	\$88.32	\$101.31	\$96.71	\$92.94	\$88.14	\$84.31	\$80.37	\$77.36	\$74.56
	Annual Demand	\$/kW	\$0.0102	\$0.0310	\$0.0355	\$0.0339	\$0.0326	\$0.0309	\$0.0296	\$0.0282	\$0.0271	\$0.0262
	Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>HEP</b>	Fixed Charge	per month	\$430.78	\$1,304.95	\$1,496.79	\$1,428.85	\$1,373.20	\$1,302.32	\$1,245.73	\$1,187.40	\$1,142.92	\$1,101.63
	Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>BPL</b>	Distribution	¢/kWhr	0.0093	0.0283	0.0325	0.0310	0.0298	0.0283	0.0270	0.0258	0.0248	0.0239
<b>BPL-POF</b>	Distribution	¢/kWhr	0.0093	0.0283	0.0324	0.0310	0.0298	0.0282	0.0270	0.0257	0.0248	0.0239
<b>PSAL</b>	Distribution	¢/kWhr	0.0100	0.0302	0.0346	0.0330	0.0318	0.0301	0.0288	0.0275	0.0264	0.0255
<b>Other Delivery Charge</b>												
<b>Base Rate Distribution Kilowatthour Adjustment</b>			(0.0008)	(0.0026)	(0.0029)	(0.0028)	(0.0027)	(0.0026)	(0.0024)	(0.0023)	(0.0022)	(0.0022)

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

			With SUT										
Rate Schedule	Sales Tax Multi->		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
			1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
<b>RS</b>		Service Charge	per month	\$0.04	\$0.13	\$0.14	\$0.14	\$0.13	\$0.13	\$0.12	\$0.12	\$0.11	\$0.11
		Distribution 0-600, June-September	¢/kWhr	0.0467	0.1411	0.1619	0.1546	0.1486	0.1409	0.1348	0.1285	0.1237	0.1192
		Distribution 0-600, October-May	¢/kWhr	0.0605	0.1832	0.2101	0.2005	0.1927	0.1829	0.1748	0.1667	0.1604	0.1546
		Distribution over 600, June-September	¢/kWhr	0.0535	0.1622	0.1860	0.1776	0.1707	0.1619	0.1548	0.1476	0.1420	0.1370
		Distribution over 600, October-May	¢/kWhr	0.0605	0.1832	0.2101	0.2005	0.1927	0.1829	0.1748	0.1667	0.1604	0.1546
<b>RHS</b>		Service Charge	per month	\$0.04	\$0.13	\$0.14	\$0.14	\$0.13	\$0.13	\$0.12	\$0.12	\$0.11	\$0.11
		Distribution 0-600, June-September	¢/kWhr	0.0782	0.2370	0.2718	0.2595	0.2494	0.2365	0.2262	0.2156	0.2076	0.2001
		Distribution 0-600, October-May	¢/kWhr	0.0505	0.1528	0.1753	0.1673	0.1608	0.1525	0.1459	0.1391	0.1339	0.1290
		Distribution over 600, June-September	¢/kWhr	0.0871	0.2639	0.3027	0.2890	0.2777	0.2633	0.2519	0.2401	0.2311	0.2228
		Distribution over 600, October-May	¢/kWhr	0.0185	0.0562	0.0644	0.0615	0.0591	0.0561	0.0536	0.0510	0.0492	0.0474
		Common Use	¢/kWhr	0.0871	0.2639	0.3027	0.2890	0.2777	0.2633	0.2519	0.2401	0.2311	0.2228
<b>RLM</b>		Service Charge	per month	\$0.24	\$0.72	\$0.82	\$0.78	\$0.76	\$0.72	\$0.68	\$0.65	\$0.63	\$0.61
		Distribution, June-September, On-Peak	¢/kWhr	0.0908	0.2751	0.3154	0.3012	0.2894	0.2745	0.2626	0.2503	0.2409	0.2322
		Distribution, June-September, Off-Peak	¢/kWhr	0.0211	0.0639	0.0733	0.0700	0.0672	0.0638	0.0610	0.0581	0.0560	0.0539
		Distribution, October-May, On-Peak	¢/kWhr	0.0211	0.0639	0.0733	0.0700	0.0672	0.0638	0.0610	0.0581	0.0560	0.0539
		Distribution, October-May, Off-Peak	¢/kWhr	0.0211	0.0639	0.0733	0.0700	0.0672	0.0638	0.0610	0.0581	0.0560	0.0539
<b>WH</b>		Distribution	¢/kWhr	0.0719	0.2177	0.2497	0.2384	0.2291	0.2172	0.2078	0.1981	0.1907	0.1838
<b>WHS</b>		Service Charge	per month	\$0.01	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.02	\$0.02	\$0.02
		Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>HS</b>		Service Charge	per month	\$0.05	\$0.17	\$0.19	\$0.18	\$0.18	\$0.17	\$0.16	\$0.16	\$0.15	\$0.14
		Distribution, June-September	¢/kWhr	0.1334	0.4044	0.4638	0.4428	0.4255	0.4035	0.3859	0.3680	0.3542	0.3413
		Distribution, October-May	¢/kWhr	0.0490	0.1484	0.1702	0.1625	0.1562	0.1482	0.1417	0.1350	0.1300	0.1253
<b>GLP</b>		Service Charge	per month	\$0.07	\$0.21	\$0.25	\$0.24	\$0.22	\$0.21	\$0.20	\$0.20	\$0.19	\$0.18
		Service Charge-Unmetered	per month	\$0.03	\$0.10	\$0.12	\$0.11	\$0.11	\$0.10	\$0.10	\$0.10	\$0.09	\$0.09
		Service Charge-Night Use	per month	\$6.30	\$19.11	\$21.91	\$20.92	\$20.11	\$19.07	\$18.23	\$17.39	\$16.73	\$16.12
		Annual Demand	\$/kW	\$0.0660	\$0.1999	\$0.2293	\$0.2189	\$0.2104	\$0.1996	\$0.1909	\$0.1819	\$0.1752	\$0.1687
		Summer Demand, June-September	\$/kW	\$0.1225	\$0.3711	\$0.4256	\$0.4063	\$0.3904	\$0.3703	\$0.3542	\$0.3376	\$0.3250	\$0.3132
		Distribution kWhr, June-September	¢/kWhr	0.0155	0.0470	0.0538	0.0514	0.0494	0.0469	0.0448	0.0427	0.0411	0.0396
		Distribution kWhr, October-May	¢/kWhr	0.0055	0.0165	0.0189	0.0181	0.0173	0.0165	0.0157	0.0150	0.0144	0.0139
		Distribution kWhr, Night use, June-September	¢/kWhr	0.0055	0.0165	0.0189	0.0181	0.0173	0.0165	0.0157	0.0150	0.0144	0.0139
		Distribution kWhr, Night use, October-May	¢/kWhr	0.0055	0.0165	0.0189	0.0181	0.0173	0.0165	0.0157	0.0150	0.0144	0.0139
<b>LPL-Sec</b>		Service Charge	per month	\$6.30	\$19.11	\$21.91	\$20.92	\$20.11	\$19.07	\$18.23	\$17.39	\$16.73	\$16.12
		Annual Demand	\$/kW	\$0.0547	\$0.1656	\$0.1899	\$0.1814	\$0.1743	\$0.1653	\$0.1580	\$0.1507	\$0.1451	\$0.1398
		Summer Demand, June-September	\$/kW	\$0.1300	\$0.3940	\$0.4519	\$0.4314	\$0.4146	\$0.3932	\$0.3761	\$0.3585	\$0.3451	\$0.3326
		Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>LPL-Pri</b>		Service Charge	per month	\$6.30	\$19.11	\$21.91	\$20.92	\$20.11	\$19.07	\$18.23	\$17.39	\$16.73	\$16.12
		Service Charge-Primary Alternate	per month	\$0.32	\$0.98	\$1.12	\$1.08	\$1.04	\$0.98	\$0.94	\$0.90	\$0.86	\$0.82
		Annual Demand	\$/kW	\$0.0265	\$0.0804	\$0.0921	\$0.0880	\$0.0845	\$0.0801	\$0.0767	\$0.0731	\$0.0703	\$0.0678
		Summer Demand, June-September	\$/kW	\$0.1471	\$0.4459	\$0.5114	\$0.4881	\$0.4692	\$0.4449	\$0.4255	\$0.4056	\$0.3904	\$0.3763
		Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>HTS-Subtr</b>		Service Charge	per month	\$34.67	\$105.00	\$120.44	\$114.97	\$110.50	\$104.80	\$100.24	\$95.54	\$91.97	\$88.64
		Annual Demand	\$/kW	\$0.0174	\$0.0528	\$0.0605	\$0.0578	\$0.0555	\$0.0526	\$0.0504	\$0.0480	\$0.0462	\$0.0445
		Summer Demand, June-September	\$/kW	\$0.0629	\$0.1907	\$0.2187	\$0.2088	\$0.2006	\$0.1904	\$0.1820	\$0.1736	\$0.1670	\$0.1610
		Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>HTS-HV</b>		Service Charge	per month	\$31.20	\$94.50	\$108.40	\$103.48	\$99.45	\$94.31	\$90.21	\$86.00	\$82.78	\$79.78
		Annual Demand	\$/kW	\$0.0109	\$0.0332	\$0.0380	\$0.0363	\$0.0349	\$0.0331	\$0.0317	\$0.0302	\$0.0290	\$0.0280
		Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>HEP</b>		Fixed Charge	per month	\$460.93	\$1,396.30	\$1,601.57	\$1,528.87	\$1,469.32	\$1,393.48	\$1,332.93	\$1,270.52	\$1,222.92	\$1,178.74
		Distribution	¢/kWhr	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>BPL</b>		Distribution	¢/kWhr	0.0100	0.0303	0.0348	0.0332	0.0319	0.0303	0.0289	0.0276	0.0265	0.0256
<b>BPL-POF</b>		Distribution	¢/kWhr	0.0100	0.0303	0.0347	0.0332	0.0319	0.0302	0.0289	0.0275	0.0265	0.0256
<b>PSAL</b>		Distribution	¢/kWhr	0.0107	0.0323	0.0370	0.0353	0.0340	0.0322	0.0308	0.0294	0.0282	0.0273
<b>Other Delivery Charge</b>													
<b>Base Rate Distribution Kilowatthour Adjustment</b>			¢/kWhr	(0.0009)	(0.0028)	(0.0031)	(0.0030)	(0.0029)	(0.0028)	(0.0026)	(0.0025)	(0.0024)	(0.0024)

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

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			<u>Without SUT</u>									
Rate Schedule			<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>	<u>2018</u>
	Apr-Mar Rev Req (000)>		\$12,542	\$33,956	\$40,659	\$38,701	\$36,951	\$34,570	\$32,596	\$30,647	\$28,835	\$27,595
<b>RSG</b>	Service Charge	per month	\$0.11	\$0.29	\$0.35	\$0.33	\$0.32	\$0.30	\$0.28	\$0.26	\$0.25	\$0.24
	Distribution Charge	¢/Therm	0.4961	1.3499	1.6138	1.5392	1.4649	1.3718	1.2946	1.2195	1.1427	1.0931
	Off-Peak Use	¢/Therm	0.2382	0.6482	0.7749	0.7391	0.7034	0.6587	0.6217	0.5856	0.5487	0.5249
<b>GSG</b>	Service Charge	per month	\$0.18	\$0.49	\$0.59	\$0.56	\$0.54	\$0.50	\$0.47	\$0.45	\$0.42	\$0.40
	Distribution Charge - Pre July 14, 1997	¢/Therm	0.4313	1.1736	1.4030	1.3381	1.2735	1.1927	1.1255	1.0602	0.9935	0.9503
	Distribution Charge - All Others	¢/Therm	0.4313	1.1736	1.4030	1.3381	1.2735	1.1927	1.1255	1.0602	0.9935	0.9503
	Off-Peak Use Dist Charge - Pre July 14, 1997	¢/Therm	0.2136	0.5812	0.6948	0.6627	0.6307	0.5906	0.5574	0.5250	0.4920	0.4706
	Off-Peak Use Dist Charge - All Others	¢/Therm	0.2338	0.6363	0.7606	0.7255	0.6904	0.6466	0.6102	0.5748	0.5386	0.5152
<b>LVG</b>	Service Charge	per month \$/Demand	\$1.68	\$4.57	\$5.46	\$5.21	\$4.95	\$4.64	\$4.38	\$4.12	\$3.87	\$3.70
	Demand Charge	Therm	\$0.0641	\$0.1744	\$0.2084	\$0.1988	\$0.1892	\$0.1772	\$0.1672	\$0.1575	\$0.1476	\$0.1412
	Distribution Charge 0-1,000 pre July 14, 1997	¢/Therm	0.1001	0.2723	0.3255	0.3105	0.2955	0.2767	0.2612	0.2460	0.2305	0.2205
	1997	¢/Therm	0.0584	0.1590	0.1901	0.1813	0.1726	0.1616	0.1525	0.1437	0.1346	0.1288
	Distribution Charge 0-1,000 post July 14, 1997	¢/Therm	0.1001	0.2723	0.3255	0.3105	0.2955	0.2767	0.2612	0.2460	0.2305	0.2205
	1997	¢/Therm	0.0584	0.1590	0.1901	0.1813	0.1726	0.1616	0.1525	0.1437	0.1346	0.1288
<b>SLG</b>	Single-Mantle Lamp	Monthly pe	\$0.1955	\$0.5319	\$0.6359	\$0.6065	\$0.5772	\$0.5406	\$0.5102	\$0.4806	\$0.4503	\$0.4307
	Double-Mantle Lamp, inverted	Monthly pe	\$0.1946	\$0.5294	\$0.6329	\$0.6037	\$0.5745	\$0.5380	\$0.5078	\$0.4783	\$0.4482	\$0.4287
	Double Mantle Lamp, upright	Monthly pe	\$0.1859	\$0.5058	\$0.6046	\$0.5767	\$0.5488	\$0.5140	\$0.4851	\$0.4569	\$0.4281	\$0.4095
	Triple-Mantle Lamp, prior to January 1, 1993	Monthly pe	\$0.1946	\$0.5294	\$0.6329	\$0.6037	\$0.5745	\$0.5380	\$0.5078	\$0.4783	\$0.4482	\$0.4287
	Triple-Mantle Lamp, on and after January 1, 1993	Monthly pe	\$1.1836	\$3.2204	\$3.8499	\$3.6718	\$3.4946	\$3.2727	\$3.0885	\$2.9093	\$2.7261	\$2.6076
<b>TSG-F</b>	Service Charge	per month \$/Demand	\$8.62	\$23.45	\$28.03	\$26.73	\$25.44	\$23.83	\$22.49	\$21.18	\$19.85	\$18.99
	Demand Charge	Therm	\$0.0318	\$0.0865	\$0.1034	\$0.0986	\$0.0939	\$0.0879	\$0.0829	\$0.0781	\$0.0732	\$0.0700
	Distribution Charge	¢/Therm	0.1215	0.3306	0.3952	0.3769	0.3587	0.3360	0.3171	0.2987	0.2799	0.2677
<b>TSG-NF</b>	Service Charge	per month	\$8.62	\$23.45	\$28.03	\$26.73	\$25.44	\$23.83	\$22.49	\$21.18	\$19.85	\$18.99
	Distribution Charge 0-50,000	¢/Therm	0.1225	0.3332	0.3983	0.3799	0.3616	0.3386	0.3195	0.3010	0.2821	0.2698
	Distribution Charge over 50,000	¢/Therm	0.1225	0.3332	0.3983	0.3799	0.3616	0.3386	0.3195	0.3010	0.2821	0.2698
<b>CIG</b>	Service Charge	per month	\$2.39	\$6.51	\$7.79	\$7.43	\$7.07	\$6.62	\$6.25	\$5.88	\$5.51	\$5.27
	Distribution Charge 0-600,000	¢/Therm	0.1089	0.2963	0.3542	0.3378	0.3215	0.3011	0.2842	0.2677	0.2508	0.2399
	Distribution Charge over 600,000	¢/Therm	0.0894	0.2431	0.2907	0.2772	0.2638	0.2471	0.2332	0.2196	0.2058	0.1969
	Extended Gas Service, Special Delivery Charge	¢/Therm	0.1970	0.5360	0.6408	0.6111	0.5816	0.5447	0.5140	0.4842	0.4537	0.4340
<b>Other Delivery Charge &amp; Commodity Charges</b>												
	Margin Adjustment Charge	¢/Therm	(0.0282)	(0.0765)	(0.0915)	(0.0873)	(0.0830)	(0.0778)	(0.0734)	(0.0691)	(0.0648)	(0.0620)
	Basic Gas Supply Service-RSG	¢/Therm	(0.0058)	(0.0159)	(0.0189)	(0.0180)	(0.0172)	(0.0161)	(0.0152)	(0.0143)	(0.0134)	(0.0128)
	Basic Gas Supply Service-Firm	¢/Therm	(0.0058)	(0.0159)	(0.0189)	(0.0180)	(0.0172)	(0.0161)	(0.0152)	(0.0143)	(0.0134)	(0.0128)

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

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			<b>With SUT</b>									
<b>Rate Schedule</b>			<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
	Sales Tax Mult>		<b><u>1.07</u></b>									
<b><u>RSG</u></b>	Service Charge	per month	\$0.12	\$0.31	\$0.37	\$0.35	\$0.34	\$0.32	\$0.30	\$0.28	\$0.27	\$0.26
	Distribution Charge	¢/Therm	0.5308	1.4444	1.7268	1.6469	1.5674	1.4678	1.3852	1.3049	1.2227	1.1696
	Off-Peak Use	¢/Therm	0.2549	0.6936	0.8291	0.7908	0.7526	0.7048	0.6652	0.6266	0.5871	0.5616
<b><u>GSG</u></b>	Service Charge	per month	\$0.19	\$0.52	\$0.63	\$0.60	\$0.58	\$0.54	\$0.50	\$0.48	\$0.45	\$0.43
	Distribution Charge - Pre July 14, 1997	¢/Therm	0.4615	1.2558	1.5012	1.4318	1.3626	1.2762	1.2043	1.1344	1.0630	1.0168
	Distribution Charge - All Others	¢/Therm	0.4615	1.2558	1.5012	1.4318	1.3626	1.2762	1.2043	1.1344	1.0630	1.0168
	Off-Peak Use Dist Charge - Pre July 14, 1997	¢/Therm	0.2286	0.6219	0.7434	0.7091	0.6748	0.6319	0.5964	0.5618	0.5264	0.5035
	Off-Peak Use Dist Charge - All Others	¢/Therm	0.2502	0.6808	0.8138	0.7763	0.7387	0.6919	0.6529	0.6150	0.5763	0.5513
<b><u>LVG</u></b>	Service Charge	per month \$/Demand	\$1.80	\$4.89	\$5.84	\$5.57	\$5.30	\$4.96	\$4.69	\$4.41	\$4.14	\$3.96
	Demand Charge	Therm	\$0.0686	\$0.1866	\$0.2230	\$0.2127	\$0.2024	\$0.1896	\$0.1789	\$0.1685	\$0.1579	\$0.1511
	Distribution Charge 0-1,000 pre July 14, 1997	¢/Therm	0.1071	0.2914	0.3483	0.3322	0.3162	0.2961	0.2795	0.2632	0.2466	0.2359
	1997	¢/Therm	0.0625	0.1701	0.2034	0.1940	0.1847	0.1729	0.1632	0.1538	0.1440	0.1378
	Distribution Charge 0-1,000 post July 14, 1997	¢/Therm	0.1071	0.2914	0.3483	0.3322	0.3162	0.2961	0.2795	0.2632	0.2466	0.2359
	1997	¢/Therm	0.0625	0.1701	0.2034	0.1940	0.1847	0.1729	0.1632	0.1538	0.1440	0.1378
<b><u>SLG</u></b>	Single-Mantle Lamp	Monthly pe	\$0.2092	\$0.5691	\$0.6804	\$0.6490	\$0.6176	\$0.5784	\$0.5459	\$0.5142	\$0.4818	\$0.4608
	Double-Mantle Lamp, inverted	Monthly pe	\$0.2082	\$0.5665	\$0.6772	\$0.6460	\$0.6147	\$0.5757	\$0.5433	\$0.5118	\$0.4796	\$0.4587
	Double Mantle Lamp, upright	Monthly pe	\$0.1989	\$0.5412	\$0.6469	\$0.6171	\$0.5872	\$0.5500	\$0.5191	\$0.4889	\$0.4581	\$0.4382
	Triple-Mantle Lamp, prior to January 1, 1993	Monthly pe	\$0.2082	\$0.5665	\$0.6772	\$0.6460	\$0.6147	\$0.5757	\$0.5433	\$0.5118	\$0.4796	\$0.4587
	Triple-Mantle Lamp, on and after January 1, 1993	Monthly pe	\$1.2665	\$3.4458	\$4.1194	\$3.9288	\$3.7392	\$3.5018	\$3.3047	\$3.1130	\$2.9169	\$2.7901
<b><u>TSG-F</u></b>	Service Charge	per month \$/Demand	\$9.22	\$25.09	\$29.99	\$28.60	\$27.22	\$25.50	\$24.06	\$22.66	\$21.24	\$20.32
	Demand Charge	Therm	\$0.0340	\$0.0926	\$0.1106	\$0.1055	\$0.1005	\$0.0941	\$0.0887	\$0.0836	\$0.0783	\$0.0749
	Distribution Charge	¢/Therm	0.1300	0.3537	0.4229	0.4033	0.3838	0.3595	0.3393	0.3196	0.2995	0.2864
<b><u>TSG-NF</u></b>	Service Charge	per month	\$9.22	\$25.09	\$29.99	\$28.60	\$27.22	\$25.50	\$24.06	\$22.66	\$21.24	\$20.32
	Distribution Charge 0-50,000	¢/Therm	0.1311	0.3565	0.4262	0.4065	0.3869	0.3623	0.3419	0.3221	0.3018	0.2887
	Distribution Charge over 50,000	¢/Therm	0.1311	0.3565	0.4262	0.4065	0.3869	0.3623	0.3419	0.3221	0.3018	0.2887
<b><u>CIG</u></b>	Service Charge	per month	\$2.56	\$6.97	\$8.34	\$7.95	\$7.56	\$7.08	\$6.69	\$6.29	\$5.90	\$5.64
	Distribution Charge 0-600,000	¢/Therm	0.1165	0.3170	0.3790	0.3614	0.3440	0.3222	0.3041	0.2864	0.2684	0.2567
	Distribution Charge over 600,000	¢/Therm	0.0957	0.2601	0.3110	0.2966	0.2823	0.2644	0.2495	0.2350	0.2202	0.2107
	Extended Gas Service, Special Delivery Charge	¢/Therm	0.2108	0.5735	0.6857	0.6539	0.6223	0.5828	0.5500	0.5181	0.4855	0.4644
<b>Other Delivery Charge &amp; Commodity Charges</b>												
	Margin Adjustment Charge	¢/Therm	(0.0302)	(0.0819)	(0.0979)	(0.0934)	(0.0888)	(0.0832)	(0.0785)	(0.0739)	(0.0693)	(0.0663)
	Basic Gas Supply Service-RSG	¢/Therm	(0.0062)	(0.0170)	(0.0202)	(0.0193)	(0.0184)	(0.0172)	(0.0163)	(0.0153)	(0.0143)	(0.0137)
	Basic Gas Supply Service-Firm	¢/Therm	(0.0062)	(0.0170)	(0.0202)	(0.0193)	(0.0184)	(0.0172)	(0.0163)	(0.0153)	(0.0143)	(0.0137)

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

Attachement F-10

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		Annual Revenue Change, Starting April of Each Year											
Rate Schedule		Current		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
		kWh	Revenue										
Residential	RS	13,684,735	\$2,341,421	\$7,898	\$23,874	\$27,228	\$26,113	\$24,988	\$23,836	\$22,702	\$21,754	\$20,805	\$20,124
Residential Heating	RHS	166,455	25,059	70	210	242	230	221	210	200	192	185	178
Residential Load Management	RLM	296,305	47,522	130	393	452	430	415	393	376	359	347	333
Water Heating	WH	3,295	480	2	7	7	7	7	7	6	6	6	6
Water Heating Storage	WHS	47	5	0.003	0.010	0.010	0.010	0.010	0.010	0.010	0.006	0.007	0.007
Building Heating	HS	24,543	4,032	16	47	55	51	49	47	44	43	41	40
General Lighting and Power	GLP	8,677,399	1,428,234	3,986	12,013	13,789	13,163	12,646	11,993	11,475	10,960	10,546	10,144
Large Power & Lighting-Sec	LPL-Sec	12,696,019	1,846,210	3,316	10,031	11,515	10,990	10,561	10,012	9,583	9,134	8,796	8,467
Large Power & Lighting-Pri	LPL- Pri	4,092,582	570,385	679	2,048	2,352	2,244	2,157	2,042	1,959	1,866	1,797	1,729
High Tension-Subtr.	HTS-Subtr	4,275,228	561,382	443	1,335	1,534	1,464	1,407	1,332	1,279	1,218	1,173	1,127
High Tension-HV	HTS-HV	457,365	56,513	18	55	63	61	57	55	53	50	48	47
Hourly Energy Pricing	HEP	71,109	10,384	4	14	15	15	14	14	13	12	12	11
Body Politic Ligting	BPL	315,935	73,915	27	81	93	90	86	81	79	75	72	68
Body Politic Ligting-POF	BPL-POF	15,863	1,855	1	4	5	5	4	4	4	4	4	4
Private Street & Area Lighting	PSAL	<u>167,243</u>	<u>44,033</u>	<u>15</u>	<u>45</u>	<u>53</u>	<u>50</u>	<u>48</u>	<u>45</u>	<u>44</u>	<u>42</u>	<u>40</u>	<u>39</u>
<b>Totals</b>		<u>44,944,123</u>	<u>\$7,011,430</u>	<u>\$16,605</u>	<u>\$50,157</u>	<u>\$57,403</u>	<u>\$54,913</u>	<u>\$52,660</u>	<u>\$50,071</u>	<u>\$47,817</u>	<u>\$45,715</u>	<u>\$43,872</u>	<u>\$42,317</u>

		% Rate Change from Current Rates, Starting April of Each Year											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Residential	RS	0.34%	1.02%	1.16%	1.12%	1.07%	1.02%	0.97%	0.93%	0.89%	0.86%		
Residential Heating	RHS	0.28%	0.84%	0.97%	0.92%	0.88%	0.84%	0.80%	0.77%	0.74%	0.71%		
Residential Load Management	RLM	0.27%	0.83%	0.95%	0.90%	0.87%	0.83%	0.79%	0.76%	0.73%	0.70%		
Water Heating	WH	0.42%	1.46%	1.46%	1.46%	1.46%	1.46%	1.25%	1.25%	1.25%	1.25%		
Water Heating Storage	WHS	0.06%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.12%	0.14%	0.14%		
Building Heating	HS	0.40%	1.17%	1.36%	1.26%	1.22%	1.17%	1.09%	1.07%	1.02%	0.99%		
General Lighting and Power	GLP	0.28%	0.84%	0.97%	0.92%	0.89%	0.84%	0.80%	0.77%	0.74%	0.71%		
Large Power & Lighting-Sec	LPL-Sec	0.18%	0.54%	0.62%	0.60%	0.57%	0.54%	0.52%	0.49%	0.48%	0.46%		
Large Power & Lighting-Pri	LPL- Pri	0.12%	0.36%	0.41%	0.39%	0.38%	0.36%	0.34%	0.33%	0.32%	0.30%		
High Tension-Subtr.	HTS-Subtr	0.08%	0.24%	0.27%	0.26%	0.25%	0.24%	0.23%	0.22%	0.21%	0.20%		
High Tension-HV	HTS-HV	0.03%	0.10%	0.11%	0.11%	0.10%	0.10%	0.09%	0.09%	0.08%	0.08%		
Hourly Energy Pricing	HEP	0.04%	0.13%	0.14%	0.14%	0.13%	0.13%	0.13%	0.12%	0.12%	0.11%		
Body Politic Ligting	BPL	0.04%	0.11%	0.13%	0.12%	0.12%	0.11%	0.11%	0.10%	0.10%	0.09%		
Body Politic Ligting-POF	BPL-POF	0.05%	0.22%	0.27%	0.27%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%		
Private Street & Area Lighting	PSAL	0.03%	0.10%	0.12%	0.11%	0.11%	0.10%	0.10%	0.10%	0.09%	0.09%		
<b>Totals</b>		<b>0.24%</b>	<b>0.72%</b>	<b>0.82%</b>	<b>0.78%</b>	<b>0.75%</b>	<b>0.71%</b>	<b>0.68%</b>	<b>0.65%</b>	<b>0.63%</b>	<b>0.60%</b>		

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

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

Attachement F-11

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Rate Schedule		Current		Annual Revenue Change, starting April of each year									
		Therms	Revenue	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
		Residential Service	RSG	1,419,005	\$2,104,150	\$8,653	\$23,370	\$28,001	\$26,634	\$25,460	\$23,848	\$22,448	\$21,075
General Service	GSG	265,760	383,836	1,357	3,694	4,423	4,213	4,021	3,757	3,542	3,348	3,136	2,995
Large Volume Service	LVG	673,969	880,085	1,726	4,697	5,613	5,354	5,095	4,770	4,502	4,241	3,976	3,802
Street Lighting Service	SLG	672	1,094.694	<u>5,617</u>	<u>15,288</u>	<u>18,275</u>	<u>17,432</u>	<u>16,589</u>	<u>15,536</u>	<u>14,663</u>	<u>13,811</u>	<u>12,943</u>	<u>12,378</u>
	Subtotal	2,359,406	\$3,369,166	\$11,742	\$31,776	\$38,055	\$36,218	\$34,593	\$32,391	\$30,507	\$28,678	\$26,993	\$25,831
Firm Transportation Gas Service	TSG-F	40,369	\$50,737	\$66	\$183	\$217	\$206	\$197	\$185	\$174	\$165	\$153	\$147
Non- Firm Transportation Gas Service	TSG-NF	528,107	632,982	676	1,837	2,195	2,094	1,992	1,866	1,761	1,659	1,555	1,488
Cogeneration Interruptible Service	CIG	57,385	63,172	<u>58</u>	<u>161</u>	<u>192</u>	<u>183</u>	<u>174</u>	<u>163</u>	<u>154</u>	<u>145</u>	<u>135</u>	<u>129</u>
	Subtotal	625,861	\$746,891	\$800	\$2,181	\$2,604	\$2,483	\$2,363	\$2,214	\$2,089	\$1,969	\$1,843	\$1,764
	<b>Totals</b>	<b><u>2,985,267</u></b>	<b><u>\$4,116,057</u></b>	<b><u>\$12,542</u></b>	<b><u>\$33,957</u></b>	<b><u>\$40,659</u></b>	<b><u>\$38,701</u></b>	<b><u>\$36,956</u></b>	<b><u>\$34,605</u></b>	<b><u>\$32,596</u></b>	<b><u>\$30,647</u></b>	<b><u>\$28,836</u></b>	<b><u>\$27,595</u></b>
		% Rate Change from Current Rates, Starting April of Each Year											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Residential Service	RSG	0.41%	1.11%	1.33%	1.27%	1.21%	1.13%	1.07%	1.00%	0.94%	0.90%		
General Service	GSG	0.35%	0.96%	1.15%	1.10%	1.05%	0.98%	0.92%	0.87%	0.82%	0.78%		
Large Volume Service	LVG	0.20%	0.53%	0.64%	0.61%	0.58%	0.54%	0.51%	0.48%	0.45%	0.43%		
Street Lighting Service	SLG	0.51%	1.40%	1.67%	1.59%	1.52%	1.42%	1.34%	1.26%	1.18%	1.13%		
	Subtotal	0.35%	0.94%	1.13%	1.07%	1.03%	0.96%	0.91%	0.85%	0.80%	0.77%		
Firm Transportation Gas Service	TSG-F	0.13%	0.36%	0.43%	0.41%	0.39%	0.36%	0.34%	0.33%	0.30%	0.29%		
Non- Firm Transportation Gas Service	TSG-NF	0.11%	0.29%	0.35%	0.33%	0.31%	0.29%	0.28%	0.26%	0.25%	0.24%		
Cogeneration Interruptible Service	CIG	0.09%	0.25%	0.30%	0.29%	0.28%	0.26%	0.24%	0.23%	0.21%	0.20%		
	Subtotal	0.11%	0.29%	0.35%	0.33%	0.32%	0.30%	0.28%	0.26%	0.25%	0.24%		
	<b>Totals</b>	<b>0.30%</b>	<b>0.82%</b>	<b>0.99%</b>	<b>0.94%</b>	<b>0.90%</b>	<b>0.84%</b>	<b>0.79%</b>	<b>0.74%</b>	<b>0.70%</b>	<b>0.67%</b>		

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

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

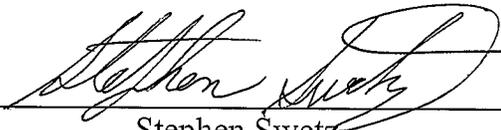
Attachement F-12

<b>Electric</b>			<b>CACs with SUT, Starting April of Each Year</b>										
	<b>Units</b>	<b>Rate Component</b>	<b>Current</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
RS	\$/mo.	Service Charge	\$2.43	\$0.04	\$0.13	\$0.14	\$0.14	\$0.13	\$0.13	\$0.12	\$0.12	\$0.11	\$0.11
	\$/kWh	Distribution 0-600, June-Septembe	\$0.030591	\$0.000467	\$0.001411	\$0.001619	\$0.001546	\$0.001486	\$0.001409	\$0.001348	\$0.001285	\$0.001237	\$0.001192
	\$/kWh	Distribution 0-600, October-May	\$0.038770	\$0.000605	\$0.001832	\$0.002101	\$0.002005	\$0.001927	\$0.001829	\$0.001748	\$0.001667	\$0.001604	\$0.001546
	\$/kWh	Distribution over 600, June-Septerr	\$0.034680	\$0.000535	\$0.001622	\$0.001860	\$0.001776	\$0.001707	\$0.001619	\$0.001548	\$0.001476	\$0.001420	\$0.001370
	\$/kWh	Distribution over 600, October-May	\$0.038770	\$0.000605	\$0.001832	\$0.002101	\$0.002005	\$0.001927	\$0.001829	\$0.001748	\$0.001667	\$0.001604	\$0.001546
	\$/kWh	BRDKA	(\$0.000534)	(\$0.000009)	(\$0.000028)	(\$0.000031)	(\$0.000030)	(\$0.000029)	(\$0.000028)	(\$0.000026)	(\$0.000025)	(\$0.000024)	(\$0.000024)
			<b>Base Distribution Rate Revenue with SUT, Starting April of Each Year</b>										
			<b>Current</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
722	Avg RS kWh / Summer M June - Septemeber Bill		\$24.62	\$25.01	\$25.78	\$25.95	\$25.89	\$25.84	\$25.78	\$25.73	\$25.69	\$25.64	\$25.61
509	Avg RS kWh / Winter Mo. Winter Bill		\$21.89	\$22.23	\$22.94	\$23.08	\$23.03	\$22.98	\$22.93	\$22.88	\$22.85	\$22.81	\$22.78
6,960	Avg RS kWh / yr. Annual Base Distribution Rate Rev		\$273.60	\$277.88	\$286.64	\$288.44	\$287.80	\$287.20	\$286.56	\$285.96	\$285.56	\$285.04	\$284.68
<b>Annual \$ Change to Typical Residential Electric Bill</b>				<b>\$4.28</b>	<b>\$13.04</b>	<b>\$14.84</b>	<b>\$14.20</b>	<b>\$13.60</b>	<b>\$12.96</b>	<b>\$12.36</b>	<b>\$11.96</b>	<b>\$11.44</b>	<b>\$11.08</b>
Annual Typical Residential Electric Bill			\$1,269.28										
<b>% Annual Change to Typical Residential Electric Bill</b>				<b>0.34%</b>	<b>1.03%</b>	<b>1.17%</b>	<b>1.12%</b>	<b>1.07%</b>	<b>1.02%</b>	<b>0.97%</b>	<b>0.94%</b>	<b>0.90%</b>	<b>0.87%</b>
<b>Gas</b>													
<b>RSG</b>			<b>CACs with SUT, Starting April of Each Year</b>										
	<b>Units</b>	<b>Rate Component</b>	<b>Current</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	\$/mo.	Service Charge	\$5.84	\$0.12	\$0.31	\$0.37	\$0.35	\$0.34	\$0.32	\$0.30	\$0.28	\$0.27	\$0.26
	\$/Therm	Distribution Charge	\$0.296957	\$0.005308	\$0.014444	\$0.017268	\$0.016469	\$0.015674	\$0.014678	\$0.013852	\$0.013049	\$0.012227	\$0.011696
	\$/Therm	MAC	(\$0.007855)	(\$0.000302)	(\$0.000819)	(\$0.000979)	(\$0.000934)	(\$0.000888)	(\$0.000832)	(\$0.000785)	(\$0.000739)	(\$0.000693)	(\$0.000663)
	\$/Therm	BGSS	1.103449	(\$0.000062)	(\$0.000170)	(\$0.000202)	(\$0.000193)	(\$0.000184)	(\$0.000172)	(\$0.000163)	(\$0.000153)	(\$0.000143)	(\$0.000137)
			<b>Base Distribution Rate Revenue + BGSS with SUT, Starting April of Each Year</b>										
Therms/mo. # of Mo.													
200	4	December - March Bill	284.35	285.46	287.36	287.94	287.77	287.61	287.41	287.23	287.06	286.9	286.79
103	2	November & April Bill	149.28	149.9	150.97	151.3	151.2	151.12	151.01	150.9	150.8	150.72	150.65
34	6	May - October Bill	53.19	53.48	53.96	54.1	54.06	54.02	53.97	53.93	53.88	53.84	53.81
Annual Base Distribution Rate Revenue + BGSS Revenue			1755.1	1762.52	1775.14	1778.96	1777.84	1776.8	1775.48	1774.3	1773.12	1772.08	1771.32
<b>Annual \$ Change to Typical Residential Gas Bill</b>				<b>\$7.42</b>	<b>\$20.04</b>	<b>\$23.86</b>	<b>\$22.74</b>	<b>\$21.70</b>	<b>\$20.38</b>	<b>\$19.20</b>	<b>\$18.02</b>	<b>\$16.98</b>	<b>\$16.22</b>
Annual Typical Residential Gas Bill			\$1,894.72										
<b>% Annual Change to Typical Residential Gas Bill</b>				<b>0.39%</b>	<b>1.06%</b>	<b>1.26%</b>	<b>1.20%</b>	<b>1.15%</b>	<b>1.08%</b>	<b>1.01%</b>	<b>0.95%</b>	<b>0.90%</b>	<b>0.86%</b>

**VERIFICATION**

STATE OF NEW JERSEY )  
  :  
COUNTY OF ESSEX        )

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

  
\_\_\_\_\_  
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            )

  
\_\_\_\_\_

**CONSTANCE E. LEMBO**  
Notary Public of New Jersey  
Commission Expires 10/18/2011



## NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY CUSTOMERS

### IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF A CAPITAL ECONOMIC STIMULUS INFRASTRUCTURE INVESTMENT PROGRAM AND AN ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO N.J.S.A. 48:2-21 AND 48:21.1

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

#### Docket No. EO09010050

**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 EO09010050. 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 Capital Infrastructure Investment Program ("Infrastructure Program") and to approve an associated cost recovery mechanism.

PSE&G seeks Board approval to implement the Infrastructure Program which would accelerate electric and gas distribution system capital infrastructure investments. Such accelerated capital investments will help improve the State's economy by stimulating the local economy through these additional projects and creating new employment opportunities. Additionally, these investments will enable PSE&G to continue to provide safe, reliable and efficient electric and gas distribution service to its customers through infrastructure reinforcement.

PSE&G proposes to undertake \$698 million in the Infrastructure Program investments across its electric and gas business over a twenty-four month period. These investments will include \$406 million in electric system infrastructure investments and \$292 million in gas system infrastructure investments. Included within the electric and gas programs are \$62 million in investments for energy efficiency-related projects.

In conjunction with the implementation of the Infrastructure Program, PSE&G proposes to implement a Capital Adjustment Charge ("CAC"). This will allow PSE&G to receive full and timely recovery of the revenue requirements associated with the Infrastructure Program. Carrying charges at PSE&G's monthly Weighted Average Cost of Capital would be applicable on any over/under recovered balance on a monthly basis.

Each electric rate schedule base rate charge, including the Service Charge, Distribution Kilowatt

Charge, Distribution Kilowattour Charge (excluding TEFA tax) and Base Rate Distribution Kilowattour Adjustment Charge would have an associated unique CAC Charge. Similar to electric, each gas rate schedule base rate charge would also have a unique CAC Charge.

For illustrative purposes the initial CAC charges for residential Rate Schedules RS and RSG are 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 \$1,273.56, or \$4.28 or approximately 0.34%.

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 \$988.40, or \$4.46 or approximately 0.45%. 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 \$1,902.14, or \$7.42 or approximately 0.39%.

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 1a & 1b	Time 2a & 2b	Time 3a & 3b
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 2

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**  
**CAPITAL ADJUSTMENT CHARGES**  
**For Residential RS and RSG Customers**

Rate Schedule			Charges	Charges Including SUT
<b>Electric</b>				
RS	Service Charge	per month	\$0.04	\$0.04
	Distribution 0-600, June-September	¢/kWhr	0.0436	0.0467
	Distribution 0-600, October-May	¢/kWhr	0.0565	0.0605
	Distribution over 600, June-September	¢/kWhr	0.0500	0.0535
	Distribution over 600, October-May	¢/kWhr	0.0565	0.0605
	Base Rate Distribution Kilowatthour Adjustment	¢/kWhr	(0.0008)	(0.0009)
<b>Gas</b>				
RSG	Service Charge	per month	\$0.11	\$0.12
	Distribution Charge	¢/Therm	0.4961	0.5308
	Off-Peak Use	¢/Therm	0.2382	0.2549
	Margin Adjustment Charge	¢/Therm	(0.0282)	(0.0302)
	Basic Gas Supply Service-RSG (BGSS-RSG)	¢/Therm	(0.0058)	(0.0062)

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

PROPOSED PERCENTAGE INCREASES BY CUSTOMER CLASS FOR ELECTRIC SERVICE		
BGS-FP	Rate Class	% Increase
Residential	RS	0.34
Residential Heating	RHS	0.28
Residential Load Management	RLM	0.27
General Lighting & Power	GLP	0.28
Large Power & Lighting - Secondary (Peak Load Share 0 – 749)	LPL-S	0.19
Large Power & Lighting - Secondary (Peak Load Share 750 – 999)	LPL-S	0.16
<b>BGS-CIEP</b>		
Large Power & Lighting - Secondary (Peak Load Share 1,000+)	LPL-S	0.15
Large Power & Lighting – Primary	LPL-P	0.12
High Tension – Subtransmission	HTS-S	0.08
High Tension - High Voltage	HTS-HV	0.03

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.

**Table # 3**  
**Impact By Gas Customer Class**

PROPOSED PERCENTAGE INCREASES BY CUSTOMER CLASS FOR GAS SERVICE		
	Rate Class	% Increase
Residential Service	RSG	0.41
General Service	GSG	0.35
Large Volume Service	LVG	0.20
Firm Transportation Gas Service	TSG-F	0.13
Non-Firm Transportation Gas Service	TSG-NF	0.11
Cogeneration Interruptible Service	CIG	0.09

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

**Table # 4**  
**Residential Electric Service**

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Increase Would Be:	And Your Monthly Percent Increase Would Be:
1,800	170	\$33.16	\$33.28	\$0.12	0.36%
3,600	360	67.50	67.70	0.20	0.30
6,960	722	134.62	135.01	0.39	0.29
7,800	803	150.38	150.80	0.42	0.28
12,000	1,250	237.31	237.97	0.66	0.28

- (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 Capital Adjustment Charge.

**Table # 5  
Residential Gas Service**

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Increase Would Be:	And Your Monthly Percent Increase Would Be:
222	25	\$43.14	\$43.39	\$0.25	0.58
444	50	80.44	80.80	0.36	0.45
606	100	158.78	159.40	0.62	0.39
1,210	200	311.74	312.85	1.11	0.36
1,816	300	464.68	466.29	1.61	0.35

- (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 change for the Capital Adjustment Charge.

**Frances I. Sundheim, Esq.**  
**Vice President and Corporate Rate Counsel**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. 64D**

**CAPITAL ADJUSTMENT CHARGES**

<u>Rate Schedule</u>		<u>Charges</u>	<u>Charges Including SUT</u>
<b><u>RS</u></b>			
Service Charge	per Month	\$ 0.04	\$ 0.04
Distribution 0-600, June-September	per kWhr	0.0436 ¢	0.0467 ¢
Distribution 0-600, October-May	per kWhr	0.0565 ¢	0.0605 ¢
Distribution over 600, June-September	per kWhr	0.0500 ¢	0.0535 ¢
Distribution over 600, October-May	per kWhr	0.0565 ¢	0.0605 ¢
<b><u>RHS</u></b>			
Service Charge	per Month	\$ 0.04	\$ 0.04
Distribution 0-600, June-September	per kWhr	0.0731 ¢	0.0782 ¢
Distribution 0-600, October-May	per kWhr	0.0472 ¢	0.0505 ¢
Distribution over 600, June-September	per kWhr	0.0814 ¢	0.0871 ¢
Distribution over 600, October-May	per kWhr	0.0173 ¢	0.0185 ¢
Common Use	per kWhr	0.0814 ¢	0.0871 ¢
<b><u>RLM</u></b>			
Service Charge	per Month	\$ 0.22	\$ 0.24
Distribution, June-September, On-Peak	per kWhr	0.0849 ¢	0.0908 ¢
Distribution, June-September, Off-Peak	per kWhr	0.0197 ¢	0.0211 ¢
Distribution, October-May, On-Peak	per kWhr	0.0197 ¢	0.0211 ¢
Distribution, October-May, Off-Peak	per kWhr	0.0197 ¢	0.0211 ¢
<b><u>WH</u></b>			
Distribution	per kWhr	0.0672 ¢	0.0719 ¢
<b><u>WHS</u></b>			
Service Charge	per Month	\$ 0.01	\$ 0.01
Distribution	per kWhr	0.0000 ¢	0.0000 ¢

Date of Issue:

Effective:

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 64E

CAPITAL ADJUSTMENT CHARGES  
(Continued)

<u>Rate Schedule</u>		<u>Charges</u>	<u>Charges Including SUT</u>
<b><u>HS</u></b>			
Service Charge	per Month	\$ 0.05	\$ 0.05
Distribution, June-September	per kWhr	0.1248 ¢	0.1335 ¢
Distribution, October-May	per kWhr	0.0458 ¢	0.0490 ¢
<b><u>GLP</u></b>			
Service Charge	per Month	\$ 0.07	\$ 0.07
Service Charge-Unmetered	per Month	\$ 0.03	\$ 0.03
Service Charge-Night Use	per Month	\$ 5.89	\$ 6.30
Annual Demand	per kW	\$ 0.0617	\$ 0.0660
Summer Demand, June-September	per kW	\$ 0.1145	\$ 0.1225
Distribution kWhr, June-September	per kWhr	0.0145 ¢	0.0155 ¢
Distribution kWhr, October-May	per kWhr	0.0051 ¢	0.0055 ¢
Distribution kWhr, Night use, June-September	per kWhr	0.0051 ¢	0.0055 ¢
Distribution kWhr, Night use, October- May	per kWhr	0.0051 ¢	0.0055 ¢
<b><u>LPL-Secondary</u></b>			
Service Charge	per Month	\$ 5.89	\$ 6.30
Annual Demand	per kW	\$ 0.0511	\$ 0.0547
Summer Demand, June-September	per kW	\$ 0.1215	\$ 0.1300
Distribution	per kWhr	0.0000 ¢	0.0000 ¢
<b><u>LPL- Primary</u></b>			
Service Charge	per Month	\$ 5.89	\$ 6.30
Service Charge-Primary Alternate	per Month	\$ 0.30	\$ 0.32
Annual Demand	per kW	\$ 0.0248	\$ 0.0265
Summer Demand, June-September	per kW	\$ 0.1375	\$ 0.1471
Distribution	per kWhr	0.0000 ¢	0.0000 ¢

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 64F

**CAPITAL ADJUSTMENT CHARGES**  
(Continued)

<u>Rate Schedule</u>		<u>Charges</u>	<u>Charges Including SUT</u>
<b><u>HTS-Subtransmission</u></b>			
Service Charge	per Month	\$ 32.40	\$ 34.67
Annual Demand	per kW	\$ 0.0163	\$ 0.0174
Summer Demand, June-September	per kW	\$ 0.0588	\$ 0.0629
Distribution	per kWhr	0.0000 ¢	0.0000 ¢
<b><u>HTS-High Voltage</u></b>			
Service Charge	per Month	\$ 29.16	\$ 31.20
Annual Demand	per kW	\$ 0.0102	\$ 0.0109
Distribution	per kWhr	0.0000 ¢	0.0000 ¢
<b><u>HEP</u></b>			
Distribution Fixed Charge	per Month	\$ 430.79	\$ 460.95
Distribution	per kWhr	0.0000 ¢	0.0000 ¢
<b><u>BPL</u></b>			
Distribution	per kWhr	0.0093 ¢	0.0100 ¢
<b><u>BPL-POF</u></b>			
Distribution	per kWhr	0.0093 ¢	0.0100 ¢
<b><u>PSAL</u></b>			
Distribution	per kWhr	0.0100 ¢	0.0107 ¢
<b><u>Other Delivery Charge</u></b>			
Base Rate Distribution Kilowatt-hour Adjustment	per kWhr	(0.0008) ¢	(0.0009) ¢

**CAPITAL ADJUSTMENT CHARGE**

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

The charges will be reset nominally on an annual basis. Interest at the Company's monthly Weighted Average Cost of Capital will be accrued monthly on any over/under recovered balances.

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**Insertion in Electric Rate Schedules RS, RHS, RLM, WHS and HS under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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

**Insertion in Electric Rate Schedules WH, BPL, BPL-POF and PSAL under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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

**Insertion in Electric Rate Schedules GLP, LPL and HTS under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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

**Insertion in Electric Rate Schedule HEP under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 47

Superseding

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

First Revised Sheet No. 47

CAPITAL ADJUSTMENT CHARGES

<u>Rate Schedule</u>		<u>Charges</u>	<u>Charges Including SUT</u>
<b><u>RSG</u></b>			
Service Charge	per Month	\$ 0.11	\$ 0.12
Distribution Charge	per Therm	0.4961 ¢	0.5308 ¢
Off-Peak Use	per Therm	0.2382 ¢	0.2549 ¢
<b><u>GSG</u></b>			
Service Charge	per Month	\$ 0.18	\$ 0.19
Distribution Charge-pre July 14, 1997	per Therm	0.4313 ¢	0.4615 ¢
Distribution Charge-All Others	per Therm	0.4313 ¢	0.4615 ¢
Off-Peak Use Distribution Charge - pre July 14, 1997	per Therm	0.2136 ¢	0.2286 ¢
Off-Peak Use Distribution Charge - All Others	per Therm	0.2338 ¢	0.2502 ¢
<b><u>LVG</u></b>			
Service Charge	per Month	\$ 1.68	\$ 1.80
Demand Charge	per Demand Therm	\$ 0.0641	\$ 0.0686
Distribution Charge 0-1,000 - pre July 14, 1997	per Therm	0.1001 ¢	0.1071 ¢
Distribution Charge over 1,000 - pre July 14, 1997	per Therm	0.0584 ¢	0.0625 ¢
Distribution Charge 0-1,000 - All Others	per Therm	0.1001 ¢	0.1071 ¢
Distribution Charge over 1,000 - All Others	per Therm	0.0584 ¢	0.0625 ¢
<b><u>SLG</u></b>			
Single-Mantle Lamp	Monthly per Unit	\$ 0.1955	\$ 0.2092
Double-Mantle Lamp, inverted	Monthly per Unit	\$ 0.1946	\$ 0.2082
Double-Mantle Lamp, upright	Monthly per Unit	\$ 0.1859	\$ 0.1989
Triple-Mantle Lamp prior to January 1, 1993	Monthly per Unit	\$ 0.1946	\$ 0.2082
Triple-Mantle Lamp on and after January 1, 1993	Monthly per Unit	\$ 1.1836	\$ 1.2665

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. 47A**

**CAPITAL ADJUSTMENT CHARGES  
(Continued)**

<u>Rate Schedule</u>		<u>Charges</u>	<u>Charges Including SUT</u>
<b><u>TSG-F</u></b>			
Service Charge	per Month	\$ 8.62	\$ 9.22
Demand Charge	per Demand Therm	\$ 0.0318	\$ 0.0340
Distribution Charge	per Therm	0.1215 ¢	0.1300 ¢
<b><u>TSG-NF</u></b>			
Service Charge	per Month	\$ 8.62	\$ 9.22
Distribution Charge 0-50,000	per Therm	0.1225 ¢	0.1311 ¢
Distribution Charge over 50,000	per Therm	0.1225 ¢	0.1311 ¢
<b><u>CIG</u></b>			
Service Charge	per Month	\$ 2.39	\$ 2.56
Distribution Charge 0-600,000	per Therm	0.1089 ¢	0.1165 ¢
Distribution Charge over 600,000	per Therm	0.0894 ¢	0.0957 ¢
Extended Gas Service, Special Delivery Charge	per Therm	0.1970 ¢	0.2108 ¢
<b><u>Other Delivery Charge and Commodity Charges</u></b>			
Margin Adjustment Charge	per Therm	(0.0282) ¢	(0.0302) ¢
Basic Gas Supply Service-RSG	per Therm	(0.0058) ¢	(0.0062) ¢
Basic Gas Supply Service-Firm	per Therm	(0.0058) ¢	(0.0062) ¢

**CAPITAL ADJUSTMENT CHARGE**

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

The charges will be reset nominally on an annual basis. Interest at the Company's monthly Weighted Average Cost of Capital will be accrued monthly on any over/under recovered balances.

Date of Issue:

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Effective:

**Insertion in Gas Rate Schedule RSG under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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

**Insertion in Gas Rate Schedule GSG under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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

**Insertion in Gas Rate Schedule LVG under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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

**Insertion in Gas Rate Schedule SLG under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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

**Insertion in Gas Rate Schedule TSG-F under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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

**Insertion in Gas Rate Schedules TSG-NF under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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

**Insertion in Gas Rate Schedules CIG under Delivery Charges after RGGI Recovery Charge:**

**CAPITAL ADJUSTMENT CHARGE:**

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