

CHANGE FROM PRIOR Effective March 1, 2009

- Third Revised Sheet No. 48 – BGSS-RSG Basic Gas Supply Service-RSG Commodity Charges Applicable to Rate Schedule RSG

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 1

TARIFF FOR GAS SERVICE

Applicable in

Territory served as shown on

Sheet Nos. 3 through 6 of this Tariff

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

GENERAL OFFICES

80 PARK PLAZA

NEWARK, NEW JERSEY 07102

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

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Date of Issue: December 19, 2008 Effective: January 1, 2009
 Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel
 80 Park Plaza, Newark, New Jersey 07102
 Filed pursuant to Order of Board of Public Utilities dated December 16, 2008
 in Docket No. EO08060426

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 3

TERRITORY SERVED

BERGEN COUNTY

Allendale, Borough of
Alpine, Borough of
Bergenfield, Borough of
Bogota, Borough of
Carlstadt, Borough of
Cliffside Park, Borough of
Closter, Borough of
Cresskill, Borough of
Demarest, Borough of
Dumont, Borough of
East Rutherford, Borough of
Edgewater, Borough of
Elmwood Park, Borough of
Emerson, Borough of
Englewood, City of
Englewood Cliffs, Borough of
Fair Lawn, Borough of
Fairview, Borough of
Fort Lee, Borough of
Franklin Lakes, Borough of
Garfield, City of
Glen Rock, Borough of
Hackensack, City of
Harrington Park, Borough of
Hasbrouck Heights, Borough of
Haworth, Borough of
Hillsdale, Borough of
Ho-Ho-Kus, Borough of
Leonia, Borough of
Little Ferry, Borough of
Lodi, Borough of
Lyndhurst, Township of
Mahwah, Township of
Maywood, Borough of
Midland Park, Borough of
Montvale, Borough of
Moonachie, Borough of
New Milford, Borough of
North Arlington, Borough of

Northvale, Borough of
Norwood, Borough of
Oakland, Borough of
Old Tappan, Borough of
Oradell, Borough of
Palisades Park, Borough of
Paramus, Borough of
Park Ridge, Borough of
Ramsey, Borough of
Ridgefield, Borough of
Ridgefield Park, Village of
Ridgewood, Village of
River Edge, Borough of
River Vale, Township of
Rochelle Park, Township of
Rockleigh, Borough of
Rutherford, Borough of
Saddle Brook, Township of
Saddle River, Borough of
South Hackensack, Township of
Teaneck, Township of
Tenafly, Borough of
Teterboro, Borough of
Upper Saddle River, Borough of
Waldwick, Borough of
Wallington, Borough of
Washington, Township of
Westwood, Borough of
Woodcliff Lake, Borough of
Wood-Ridge, Borough of
Wyckoff, Township of

BURLINGTON COUNTY

Beverly, City of
Bordentown, City of
Bordentown, Township of
Burlington, City of
Burlington, Township of

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 4

TERRITORY SERVED

(Continued)

BURLINGTON COUNTY (continued)

Chesterfield, Township of
Cinnaminson, Township of
Delanco, Township of
Delran, Township of
Eastampton, Township of
Edgewater Park, Township of
Evesham, Township of
Fieldsboro, Borough of
Florence, Township of
Hainesport, Township of
Lumberton, Township of
Mansfield, Township of
Maple Shade, Township of
Medford, Township of
Moorestown, Township of
Mount Holly, Township of
Mount Laurel, Township of
New Hanover, Township of
North Hanover, Township of
Palmyra, Borough of
Pemberton, Borough of
Pemberton, Township of
Riverside, Township of
Riverton, Borough of
Southampton, Township of
Springfield, Township of
Westampton, Township of
Willingboro, Township of
Woodland, Township of
Wrightstown, Borough of

CAMDEN COUNTY

Audubon, Borough of
Audubon Park, Borough of
Barrington, Borough of
Bellmawr, Borough of
Brooklawn Borough of
Camden, City of

Cherry Hill, Township of
Collingswood, Borough of
Gloucester, City of
Haddon, Township of
Haddonfield, Borough of
Haddon Heights, Borough of
Lawnside, Borough of
Merchantville, Borough of
Mount Ephraim, Borough of
Oaklyn, Borough of
Pennsauken, Township of
Tavistock, Borough of
Woodlynne, Borough of

ESSEX COUNTY

Belleville, Town of
Bloomfield, Township of
Caldwell, Borough of
Cedar Grove, Township of
East Orange, City of
Essex Fells, Borough of
Fairfield, Township of
Glen Ridge, Borough of
Irvington, Township of
Livingston, Township of
Maplewood, Township of
Millburn, Township of
Montclair, Township of
Newark, City of
North Caldwell, Borough of
Nutley, Township of
Orange, City of
Roseland, Borough of
South Orange Village, Township of
Verona, Township of
West Caldwell, Township of
West Orange, Township of

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 5

TERRITORY SERVED

(Continued)

GLOUCESTER COUNTY

Deptford, Township of
National Park, Borough of
West Deptford, Township of
Westville, Borough of
Woodbury, City of

HUDSON COUNTY

Bayonne, City of
East Newark, Borough of
Guttenberg, Town of
Harrison, Town of
Hoboken, City of
Jersey City, City of
Kearny, Town of
North Bergen, Township of
Secaucus, Town of
Union City, City of
Weehawken, Township of
West New York, Town of

HUNTERDON COUNTY

East Amwell, Township of
Readington, Township of
Tewksbury, Township of

MERCER COUNTY

East Windsor, Township of
Ewing, Township of
Hamilton, Township of
Hightstown, Borough of
Lawrence, Township of
Princeton, Borough of
Princeton, Township of
Trenton, City of
Washington, Township of
West Windsor, Township of

MIDDLESEX COUNTY

Cranbury, Township of
Dunellen, Borough of
East Brunswick, Township of
Edison, Township of
Helmetta, Borough of
Highland Park, Borough of
Jamesburg, Borough of
Middlesex, Borough of
Milltown, Borough of
Monroe, Township of
New Brunswick, City of
North Brunswick, Township of
Old Bridge, Township of
Piscataway, Township of
Plainsboro, Township of
Sayreville, Borough of
South Amboy, City of
South Brunswick, Township of
South Plainfield, Borough of
South River, Borough of
Spotswood, Borough of

MONMOUTH COUNTY

Allentown, Borough of
Millstone, Township of
Roosevelt, Borough of
Upper Freehold, Township of

MORRIS COUNTY

Butler, Borough of
Chatham, Borough of
Chatham, Township of
Chester, Borough of
Chester, Township of
Denville, Township of
East Hanover, Township of
Florham Park, Borough of

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 6

TERRITORY SERVED

(Continued)

MORRIS COUNTY (continued)

Hanover, Township of
Harding, Township of
Jefferson, Township of
Kinnelon, Borough of
Long Hill, Township of
Madison, Borough of
Mendham, Borough of
Mendham, Township of
Morris, Township of
Morris Plains, Borough of
Morristown, Town of
Parsippany-Troy Hills, Township of
Pequannock, Township of
Randolph, Township of
Riverdale, Borough of

OCEAN COUNTY

Plumsted, Township of

PASSAIC COUNTY

Bloomington, Borough of
Clifton, City of
Haledon, Borough of
Hawthorne, Borough of
Little Falls, Township of
North Haledon, Borough of
Passaic, City of
Paterson, City of
Pompton Lakes, Borough of
Prospect Park, Borough of
Ringwood, Borough of
Totowa, Borough of
Wanaque, Borough of

Wayne, Township of
West Milford, Township of
West Paterson, Borough of

SOMERSET COUNTY

Bedminster, Township of
Bernards, Township of
Bernardsville, Borough of
Bound Brook, Borough of
Branchburg, Township of
Bridgewater, Township of
Far Hills, Borough of
Franklin, Township of
Green Brook, Township of
Hillsborough, Township of
Manville, Borough of
Millstone, Borough of
Montgomery, Township of
North Plainfield, Borough of
Peapack-Gladstone, Borough of
Raritan, Borough of
Rocky Hill, Borough of
Somerville, Borough of
South Bound Brook, Borough of
Warren, Township of
Watchung, Borough of

UNION COUNTY

Berkeley Heights, Township of
New Providence, Borough of
Plainfield, City of
Springfield, Township of
Summit, City of

Date of Issue: December 6, 2006

Effective: November 9, 2006

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80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 7

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Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 8

**STANDARD TERMS AND CONDITIONS – INDEX
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Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

STANDARD TERMS AND CONDITIONS

1. GENERAL

These Standard Terms and Conditions, filed as part of the Gas Tariff of Public Service Electric and Gas Company, hereinafter referred to as "Public Service", set forth the terms and conditions under which gas service will be supplied and govern all classes of service to the extent applicable, and are made a part of all agreements for the supply of gas service unless specifically modified in a particular rate schedule.

No representative of Public Service has authority to modify any provision contained in this Tariff or to bind Public Service by any promise or representation contrary thereto.

Public Service will construct, own, and maintain distribution mains and services located on land, streets, highways, rights of way acquired by Public Service, and on private property, used or usable as part of the distribution system of Public Service. Payment of monthly charges, or a deposit or a contribution shall not give the customer, Applicant or depositor any interest in the facilities, the ownership being vested exclusively in Public Service.

Publications set forth by title in sections of these Standard Terms and Conditions are incorporated in this Tariff by reference.

2. OBTAINING SERVICE

2.1. Application: An application for service may be made at any of the Customer Service Centers of Public Service in person, by mail, or by telephone. Forms for application for service, when required, together with terms and conditions and rate schedules, will be furnished upon request. Customer shall state, at the time of making application for service, the conditions under which service will be required and customer may be required to sign an agreement or other form then in use by Public Service covering special circumstances for the supply of gas service. Data requested from customers may include proof of identification as well as copies of leases, deeds and corporate charters. Such information shall be considered confidential.

Public Service may reject applications for service where such service is not available or where such service might affect the supply of gas to other customers, or for failure of customer to agree to comply with any of these Standard Terms and Conditions.

See also Section 13 Service Limitations, of these Standard Terms and Conditions.

2.2. Initial Selection of Rate Schedule: Public Service will assist in the selection of the available rate schedule which is most favorable from the standpoint of the customer. Any advice given by Public Service will necessarily be based on customer's written statements detailing his proposed operating conditions.

Customers may, upon written notice to Public Service within three months after service has begun, elect to change and to receive service under any other available rate schedule. Public Service will furnish service to and bill the customer under the rate schedule so selected from the date of last scheduled meter reading, but no further change will be allowed during the next twelve months.

STANDARD TERMS AND CONDITIONS
(Continued)

- 2.2.1. Change of Rate Schedule:** Subsequent to initial selection of a rate schedule, customer shall notify Public Service in writing of any change in his use of service which might affect the selection of a rate schedule or provision within a rate schedule. Any change in schedule or provision shall be applicable, if permitted, to the next regular billing subsequent to such notification.
- 2.3. Deposit and Guarantee:** Where Public Service deems it necessary, a deposit or other guarantee satisfactory to Public Service may be required as security for the payment of future and final bills before Public Service will commence or continue to render service, or perform necessary preliminary work prior to meter installation.

A deposit may be required from a customer equal to the estimated bills which would accrue for two months' service at the applicable rate schedule. A customer taking service for a period of less than thirty days may be required to deposit an amount equal to the estimated bill for such temporary period.

Upon closing any account, the balance of any deposit remaining after the closing bill for service has been settled, shall be returned promptly to the depositor with interest due. Deposits shall cease to bear interest upon discontinuance of service.

Public Service shall review a residential customer's account at least once every year and a non-residential customer's account at least once every 2 years. If such review indicates that the customer has established credit satisfactory to Public Service, then the outstanding deposit shall be refunded to the customer. The customer has the option of having the deposit refund applied to the account in the form of a credit or of having the deposit refunded by separate check in a period not to exceed one billing cycle.

In accordance with N.J.A.C. 14:3-7.5(c), simple interest at a rate equal to the average yields on new six-month Treasury Bills for the twelve month period ending each September 30 shall be paid by Public Service on all deposits held by it, provided the deposit has remained with Public Service for at least 3 months. Said rate, which shall be rounded up or down to the nearest half percent, shall be determined by the Board of Public Utilities ("Board"), and shall become effective on January 1 of the following year.

Interest payments shall be made at least once during each 12-month period in which a deposit is held and shall take the form of credits on bills toward utility service rendered or to be rendered, for residential accounts.

A deposit is not a payment or part payment of any bill for service, except that on discontinuance of service Public Service may apply said deposit against unpaid bills for service, and only the remaining balance of the deposit will be refunded. Public Service shall promptly read the meters and ascertain that the obligations of the customer have been fully performed before being required to return any deposit. To have service resumed, customer will be required to restore deposit to original amount.

STANDARD TERMS AND CONDITIONS
(Continued)

- 2.4. Permits:** Public Service, where necessary, will make application for any street opening permits for installing its gas facilities necessary to provide new or upgraded service to a customer and shall not be required to furnish service until after such permits are granted. The Applicant may be required to pay the municipal charge, if any, for permission to open the street. The Applicant shall obtain and present to Public Service, for recording or for registration, all instruments providing for easements or rights of way, and all permits (except street opening permits), consents, and certificates necessary for the introduction of service.
- 2.5. Service Connections:** The customer may be required to make a contribution toward the cost of installing a service connection as set forth in Section 5 of these Standard Terms and Conditions.
- 2.6. Temporary Service:** Where service is to be used at an installation for a limited period and such installation is not permanent in nature, the use of service shall be classified as temporary. In such cases, the customer may be required to pay to Public Service the cost of the facilities required to furnish service. The minimum period of temporary service for billing purposes shall be one month.

After two years of service a temporary service installation shall be eligible for refunds. Excluding the first two annual service periods, refunds equal to 10% of the revenue from Service Charges, Distribution Charges and Demand Charges received by Public Service during an annual service period shall be made at the end of such period. In no case shall the total amount refunded be in excess of the installation cost paid by the customer, nor shall refunds be made for more than eight consecutive annual service periods.

3. CHARGES FOR SERVICE

- 3.1. General:** Charges for gas usage are set forth in the rate schedules included elsewhere in this Tariff. In addition to the charges for gas usage, Public Service may require additional monthly charges, up-front contributions or deposits (including the gross-up for income tax effects) from an Applicant for providing Temporary Services, for certain Standard and Atypical Conditions, or for an Extension. If construction of an Extension was begun prior to March 20, 2005 or if Public Service committed in writing, prior to March 20, 2005, to provide an Extension to an Applicant under the terms of the Company's tariff provisions in effect prior to March 20, 2005, the Extension provisions of this Tariff are not applicable.
- 3.2 Definitions:** The following are defined terms as used in this Tariff:
- a) Applicant is the individual or entity, who may or may not be the ultimate customer, requesting new, additional, temporary, or upgraded gas service from Public Service.
 - b) Applicant For An Extension is an Applicant where Public Service has determined that an Extension is necessary to provide service.
 - c) N.J.A.C. is the New Jersey Administrative Code.
 - d) Designated Growth Area is an area designated for growth as detailed in N.J.A.C. 14:3-8.2. and depicted on the New Jersey State Planning Commission State Plan Policy Map as of the date service is requested by the Applicant.
 - e) Non-Growth Area is an area not in a Designated Growth Area.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

STANDARD TERMS AND CONDITIONS
(Continued)

- f) Distribution Revenue as used in this Section 3 means the total revenue, plus related New Jersey Sales and Use Tax (SUT), charged a customer by Public Service, minus Basic Gas Supply Service charges including SUT, assessed in accordance with this Tariff for Gas Service. For Rate CIG the Basic Gas Supply Service Charges is the Estimated Average Commodity Cost plus Losses and applicable SUT.
- g) Temporary Service is where service is provided through an installation for a limited period and such installation is not permanent in nature.
- h) An Extension means the construction or installation of plant and/or facilities by Public Service used to convey service from existing or new plant and/or facilities to one or more new customers, and also means the plant and/or facilities themselves. An Extension includes all Public Service plant and/or facilities used for gas transmission (non-FERC jurisdictional) and/or distribution, whether located on a public street or right of way, or on private property or private right of way, and includes the pipe, rights of way, land, valves, site restoration, regulators and metering equipment and other means of conveying service from existing plant and/or facilities to each unit or structure to be served. An Extension does not include equipment solely used for administrative purposes, such as office equipment used for administering a billing system.

An Extension begins at the existing Public Service infrastructure and ends at the meter and includes the meter. The new plant and/or facilities installed constituting an Extension must be nominally physically continuous from the beginning to the end of the Extension.

Plant and/or facilities installed to supply the increased load of existing non-residential customers are also considered an Extension where existing Public Service facilities are upgraded or replaced due to an Applicant's new or additional gas load being greater than 50% of the total design capacity of the pre-existing facilities.

- i) Cost means, with respect to the cost of construction of an Extension, actual expenses incurred by Public Service for materials and labor, including both internal and external labor, employed in the design, purchase, construction, and/or installation of the Extension, including overhead directly attributable to the work, as well as overrides or loading factors such as those for back-up personnel for mapping, records, clerical supervision or general office functions. Such actual expenses incurred may be determined by using average actual unit costs. Cost related to plant and/or facilities installed to serve increased load from an existing customer is determined on a similar basis.

- 3.3. Removal of Public Service Facilities:** There is normally no charge for the permanent removal of above ground Public Service facilities or the abandonment in place of underground Public Service facilities where an easement for such facilities does not exist. Where an easement exists, and when approved by Public Service, and unless preempted by statute, the requesting party shall be responsible for all costs related to the removal or abandonment of requested facilities and if necessary, the installation of all new facilities necessary to provide the same level of service to all other customers.

STANDARD TERMS AND CONDITIONS
(Continued)

- 3.4. Temporary Service:** Where Public Service provides Temporary Service, the customer will be required to pay to Public Service the cost of the installation and removal of facilities required to furnish service. The minimum period of temporary service for billing purposes shall be one month.

In a Designated Growth Area, after two years of service, a Temporary Service installation shall be eligible for refunds. Excluding the first two annual service periods, refunds equal to 10% of the Distribution Revenue received by Public Service during each annual service period shall be made at the end of such period. In no case shall the total amount refunded be in excess of the installation and removal cost paid by the customer, nor shall refunds be made for more than eight consecutive annual service periods. There shall be no refunds for Temporary Service located in Non-Growth Areas.

Temporary service will not be supplied under Rate Schedule SLG.

- 3.5. Provision of Service:** Gas service shall be supplied in accordance with these Standard Terms and Conditions and the applicable rate schedule and shall be based upon customer's anticipated load and upon plant facilities that are sufficient for safe, proper, and adequate service based upon Public Service's design standards and reliability criteria. Both the Applicant's anticipated load and sufficient plant facilities will be as determined by Public Service.

- 3.5.1. Standard Conditions:** Underground construction is the standard for all gas mains and services. Metering and regulating facilities are normally located above ground outside of buildings, unless required by Public Service operating conditions in which case they will be located inside.

- 3.5.2. Atypical Conditions:** When special facilities are required due to conditions beyond the control of Public Service, or are requested by the Applicant and approved by Public Service, or are required due to local ordinance, the added cost of such special facilities, grossed up for income tax effects, shall be paid by the Applicant as a non-refundable contribution.

Public Service may require agreements for a longer term than specified in the rate schedule, may require contributions toward the investment, and may establish such Minimum Charges and Facilities Charges as may be equitable under the circumstances involved where: (1) large or special investment is necessary for the supply of service; (2) capacity required to serve Rate Schedules GSG or LVG customer's weather-sensitive or dual-fueled equipment is out of proportion to the use of gas service for occasional, intermittent, or low load factor purposes, or is for short durations. The assessment of any Minimum Charges will be based upon a minimum use requirement of 850 therms per year for each therm of applicable connected load. To the extent that total annual therm usage is less than 850 therms per therm of connected load, any deficiency will be assessed a Minimum Charge of 25.0 cents (27.0 cents including SUT) per therm.

Unless there is a material change in the provision of service, once charges are established for a premises pursuant to this Section 3.5.2, they shall be used for all subsequent customers at that premises requesting such similar service, regardless of any lapse in the provision of such similar service characteristics to that premises.

STANDARD TERMS AND CONDITIONS
(Continued)

- 3.6. Extensions – General Provisions:** Where it is necessary for Public Service to construct an Extension to serve the requirements of an Applicant, Public Service may require a deposit or contribution from the customer to cover all or part of the cost of the Extension, which is required to be paid to Public Service prior to any work being performed. The costs will be estimated based upon normal conditions, and may be increased if severe conditions, such as excessive rock or other unknown conditions, are found during excavation.
- 3.7. Charges for Extensions – Non-Growth Areas:** Applicants requesting service in designated Non-Growth Areas will be charged, as a non-refundable contribution, the full cost of any Extension, grossed up for income tax effects, installed in conjunction with the provision of service.
- 3.7.1 Exemptions from Non-Growth Area Charges:** Charges for an Extension to the following shall be based on the charges for facilities located in a Designated Growth Area, even if the Public Service facilities providing such service are located in a Non-Growth Area:
- a) Where the new Public Service facilities are installed solely to furnish service to an agricultural building or structure whose sole use is the production, storage, packing or processing of agricultural or horticultural products, provided that a majority of these products were produced on a New Jersey commercial farm, as defined in N.J.S.A. 4:1C-3; or
 - b) Where the sole purpose of the new Public Service facilities are to allow for replacement of existing appliances powered by energy sources other than natural gas with natural gas appliances in one or more structures that were built and occupied prior to March 20, 2005 or were built and occupied at least fifteen years prior to the date of the application for service; or
 - c) Other premises as authorized by the New Jersey Board of Public Utilities in accordance with the provisions of N.J.A.C. 14:3-8.8 where it would provide a significant public good or where compliance would cause an extraordinary hardship.
- 3.8. Charges for Extensions – Designated Growth Areas:** Applicants requesting service in Designated Growth Areas may be charged a deposit for service. Such deposit will be determined by Public Service by comparing the estimated Distribution Revenue to the applicable costs of the Extension. The detailed calculations of such deposits, if any, are contained in the remainder of Section 3.8 of these Standard Terms and Conditions.
- 3.8.1. Individual Residential Customer:** Where application for service is made by an Applicant for individual residential use, and the service requested is not for a limited period of less than ten (10) years, the following shall apply:
- a) Excess cost is defined as the total cost of the Extension less any contribution required for Atypical Conditions less the ten times the estimated average annual Distribution Revenue, such result grossed up for income tax effects. The excess cost shall not be less than zero in any case.

STANDARD TERMS AND CONDITIONS
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Any excess cost shall be deposited and remain with Public Service with interest. Public Service will waive the deposit requirement where the excess cost is \$500.00 or less.

- b) In each annual period from the date of connection, if the actual Distribution Revenue from the customer exceeds the greater of either: (1) the estimated annual Distribution Revenue used as the basis for the initial deposit computation, or (2) the highest actual Distribution Revenue from any prior year, there shall be returned to the Applicant an additional amount, equal to ten times such excess.
- c) As additional customers not originally anticipated are supplied from this Extension and Public Service still holds at least some part of the deposit from the original Applicant, a reduction may be made to such remaining deposit. The cost of the Extension or cost for Increased Load for any such additional customer will be first compared to the estimated additional Distribution Revenue as detailed in the appropriate paragraph of this Section 3. Once any deposit requirement has been satisfied, any remaining Distribution Revenue credit will be applied toward the original customer's remaining deposit in an amount equal to ten times such excess Distribution Revenue.
- d) In no event shall more than the original deposit be returned to the Applicant nor shall any part of the deposit remaining after ten years from the date of the original deposit be returned.

3.8.2. Multi-unit Developments: Where application for service is made for gas service to a multi-unit residential or multi-unit non-residential development, the following shall apply:

- a) Excess cost for an Applicant is defined as the total cost of the Extension less any contribution required for Atypical Conditions, such result grossed up for income tax effects.

Any excess cost shall be deposited and remain with Public Service with interest. Public Service will waive the deposit requirement where the excess cost is \$500.00 or less, or where ten times the estimated annual Distribution Revenue is greater than the excess costs and the excess cost is less than \$20,000.00.

- b) As each unit is connected, as determined by the setting and activation of the Public Service gas meter, there shall be returned to the Applicant an amount equal to ten times the estimated annual Distribution Revenue from that unit.
- c) In each annual period from the date of deposit, if for all customers receiving service for the entire prior one year period the actual annual Distribution Revenue exceeds the greater of either: (1) the estimated annual Distribution Revenue, or (2) the highest actual Distribution Revenue from any prior year, there shall be returned to the Applicant an additional amount equal to ten times such excess.
- d) As additional customers not originally anticipated are supplied from this Extension and Public Service still holds at least some part of the deposit from the original Applicant, a reduction may be made to such remaining deposit. The cost of the Extension or cost

STANDARD TERMS AND CONDITIONS
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for Increased Load for any such additional customer will be first compared to the estimated additional Distribution Revenue as detailed in the appropriate paragraph of this Section 3. Once any deposit requirement has been satisfied, any remaining Distribution Revenue credit will be applied toward the original customer's remaining deposit in an amount equal to ten times such excess Distribution Revenue.

- e) In no event shall more than the original deposit be returned to the Applicant nor shall any part of the deposit remaining after ten years from the date of the original deposit be returned.

3.8.3. Individual Commercial and Industrial Customers: Where application for service is made for individual non-residential use, and the service requested is not for a limited period of less than ten (10) years, the following shall apply:

- a) Excess cost for an Applicant is defined as the total cost of the Extension less any contribution required for Atypical Conditions, such result grossed up for income tax effects.

Any excess cost shall be deposited and remain with Public Service with interest. Public Service will waive the deposit requirement where the excess cost is \$500.00 or less, or where ten times the estimated annual Distribution Revenue is greater than the excess costs and the excess cost is less than \$20,000.00.

- b) As the Public Service gas meter is set, there shall be returned to the Applicant an amount equal to ten (10) times the estimated average annual Distribution revenue.
- c) In each annual period from the date of deposit, if the actual Distribution Revenue from the customer exceeds the greater of: (1) the estimated annual Distribution Revenue used as the basis for the initial deposit computation, or (2) the highest actual Distribution Revenue from any prior year; there shall be returned to the Applicant an additional amount, equal to ten times such excess.
- d) As additional customers not originally anticipated are supplied from this Extension and Public Service still holds at least some part of the deposit from the original Applicant, a reduction may be made to such remaining deposit. The cost of the Extension or cost for Increased Load for any such additional customer will be first compared to the estimated additional Distribution Revenue as detailed in the appropriate paragraph of this Section 3. Once any deposit requirement has been satisfied, any remaining Distribution Revenue credit will be applied toward the original customer's remaining deposit in an amount equal to ten times such excess Distribution Revenue.
- e) In no event shall more than the original deposit be returned to the Applicant nor shall any part of the original deposit remaining after ten years from the date of the original deposit be returned.

3.9. Charges for Extensions – Mixed Designated Growth and Non-Growth Applications: For an Applicant requesting service to an area comprising both a Designated Growth Area and a Non-Growth Area, the costs of the Extension shall be apportioned between the Areas based on the projected loads to be served in each Area, as determined by Public Service.

STANDARD TERMS AND CONDITIONS
(Continued)

The amount of deposit and/or non-refundable contribution charged the Applicant shall be based upon the methodologies as specified for each Area, as detailed in Sections 3.7 and 3.8 of these Standard Terms and Conditions.

- 3.10. Charges for Extensions – SGIIP Area:** A Smart Growth Infrastructure Investment Program (SGIIP) Area is any area in a municipality that is located in planning area 1, and for which the municipality has obtained appropriate formal endorsement from the State Planning Commission. In a SGIIP area, the charges to an Applicant for an Extension are the same as in a Designated Growth Area, including the cost of necessary relocations and upgrades, except a factor of twenty (20) shall be used in lieu of a factor of ten (10) in the calculation of the initial deposit and any refunds of such deposit as detailed in above Sections.
- 3.11 Charges for Increased Load:** When it is necessary for Public Service to construct, upgrade, or install facilities necessary to service the additional requirements of existing customers located in either a Growth or Non-Growth Area and these facilities do not meet the definition of an Extension as defined in Section 3.2 (h) of these Standard Terms and Conditions, the following shall apply:
- a) Public Service may require a deposit from the customer to cover all or part of the investment necessary to supply service. Any such deposit will be calculated by comparing the estimated annual increase in Distribution Revenue as determined by Public Service to the total cost of the applicable work to determine if excess costs exist.
 - b) Excess cost is defined as the total cost of the applicable work less any contribution required for Atypical Conditions less the ten times the estimated average annual increase in Distribution Revenue, such result grossed up for income tax effects. The excess cost shall not be less than zero in any case.
 - c) Any excess cost shall be deposited and remain with Public Service without interest. Public Service will waive the deposit requirement where the excess cost is \$500.00 or less.
 - d) In each annual period from the date of connection of such additional load, if the actual increase in Distribution Revenue from the customer exceeds the greater of either: (1) the estimated annual increase in Distribution Revenue used as the basis for the initial deposit computation, or (2) the highest increase in actual Distribution Revenue from any prior year, there shall be returned to the Applicant an additional amount, equal to ten times such excess.
 - e) In no event shall more than the original deposit be returned to the Applicant nor shall any part of the deposit remaining after ten years from the date of the original deposit be returned.

STANDARD TERMS AND CONDITIONS
(Continued)

4. CHARACTERISTICS OF SERVICE

- 4.1. Standard Service Supply:** Public Service may commingle gas supplies from several sources. All gas delivered to any customer may be a mixture of gas manufactured or derived from natural sources, altered to remove impurities and to add desirable constituents. The heat content of delivered gas may vary between 950 and 1,150 Btu per cubic foot. The character of the gas will be of a nature which will allow an atmospheric burner to operate without repeated adjustment.
- 4.2. Heat Measurement and Billing Units:** For billing purposes, the customer's gas use in cubic feet will be converted to therms, using the actual weighted average heating value, on a dry basis, of the gas distributed in the second preceding calendar month, where a therm is a unit of heat energy equivalent to 100,000 British thermal units (Btu). Metered usage in cubic feet at standard pressure will be corrected to atmospheric pressure by application of a 1.012 multiplier. Metered usage at higher than standard pressure will be corrected to atmospheric pressure by application of appropriate multipliers.
- 4.3. Standard Pressure:** The standard pressure supplied at the meter outlet will be within the range of 4 to 7 inches water column pressure.

5. SERVICE CONNECTIONS

- 5.1. General:** The Applicant shall consult Public Service as to the exact point at which the meter set will be located and connection to customer piping will be made before installing interior gas piping or starting any other work dependent upon the location of the service pipe.

Public Service will determine the location of the service pipe depending upon existing facilities in the street and other practical considerations.

Gas service will be supplied to each building or premises through a single service pipe except where, in the judgment of Public Service, its economic considerations; conditions on its distribution system; improvement of service conditions; or volume of the customer's requirements, make it desirable to install more than one service pipe.

- 5.2. Change in Location of Existing Service Pipe:** Any change requested by the customer in the location of the existing service pipe, if approved by Public Service, will be made at the expense of the customer. A request to install facilities for the same building within 12 months of the removal of similar facilities may be considered a relocation of the existing facilities if the load served is similar or lower and the building served is essentially the same.

6. METERS AND ASSOCIATED EQUIPMENT

- 6.1. General:** A single meter will be furnished and installed by Public Service for each separately billed rate schedule under which a customer receives service. Public Service shall be consulted regarding meter locations. Meter installations shall be in conformance

STANDARD TERMS AND CONDITIONS
(Continued)

with the standards of the fuel gas subcode of the "Uniform Construction Code" and the "General Criteria for Installation of Gas Appliances and Gas Piping," issued by Public Service and available on request. Where permitted, the meter shall be located outside. If the meter is not located outside solely due to the request of the customer, Public Service reserves the right to install remote metering equipment at the customer's expense. See Section 8.5 of these Standard Terms and Conditions.

When requested by a customer, remote meter reading equipment may be installed, if feasible, at the expense of the customer. The payment shall not give the customer any interest in the equipment thus installed, the ownership being vested exclusively in Public Service.

Additional meters will be installed only where, in the judgment of Public Service, its economic considerations; conditions on its distribution system; improvement of service conditions; or the volume of the customer's requirements, make it desirable to install such additional meters.

- 6.2. Seals:** Public Service may seal or lock any meters or enclosures containing meters and associated metering equipment. No person except a duly authorized employee of Public Service shall break or remove a Public Service seal or lock.
- 6.3. Protection of Meter and Service Equipment:** Customer shall furnish and maintain a suitable space for the meter and associated equipment. Such space shall be as near as practicable to the point of entrance of the gas service pipe, adequately ventilated, dry (inside installation only) and free from corrosive vapors, not subject to extreme temperatures, readily accessible to duly authorized employees or agents of Public Service and shall otherwise conform to the standards of the fuel gas subcode of the "Uniform Construction Code" and to the "General Criteria for Installation of Gas Appliances and Gas Piping," issued by Public Service and available on request. Customer shall not tamper with or remove meters or other equipment, nor permit access thereto except by duly authorized employees or agents of Public Service. In case of loss or damage to the property of Public Service from the act or negligence of the customer or his agents or servants, or of failure to return equipment supplied by Public Service, customer shall pay to Public Service the amount of such loss or damage to the property. All equipment furnished at the expense of Public Service shall remain its property and may be replaced whenever deemed necessary and may be removed by it at any reasonable time after the discontinuance of service. In the case of defective service, the customer shall not interfere or tamper with the apparatus belonging to Public Service but shall immediately notify Public Service to have the defects remedied.
- 6.4. Public Service to Turn on Gas:** No person other than a duly authorized employee or agent of Public Service shall turn gas into any new system of piping or into any old system of piping from which the use of gas had been discontinued.
- 6.5. Change in Location of Meters and Associated Equipment:** Any change requested by the customer in the existing location of meters and associated equipment, if approved by Public Service, will be made at the expense of the customer.
- 6.6. Tampering:** In the event it is established that Public Service meters or other equipment on the customer's premises have been tampered with, and, such tampering results in incorrect measurement of the service supplied, the charges for such gas service under the applicable rate schedule including Basic Gas Supply Service default service, based upon

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

**STANDARD TERMS AND CONDITIONS
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the Public Service estimate from available data and not registered by Public Service meters shall be paid by the beneficiary of such service. In the case of a residential customer, such unpaid service shall be limited to not more than one year prior to the date of correcting the tampered account and for no more than the unpaid service alleged to be used by such customer. The beneficiary shall be the customer or other party who benefits from such tampering. The actual cost of investigation, inspection, and determination of such tampering, and other costs, such as but not limited to, the installation of protective equipment, legal fees, and other costs related to the administrative, civil or criminal proceedings, shall be billed to the responsible party. The responsible party shall be the party who either tampered with or caused the tampering with a meter or other equipment or knowingly received the benefit of tampering by or caused by another. In the event a residential customer unknowingly received the benefit of meter or equipment tampering, Public Service shall only seek from the benefiting customer the cost of the service provided under the applicable rate schedule including Basic Gas Supply Service default service but not the cost of investigation.

These provisions are subject to the customer's right to pursue a bill dispute proceeding pursuant to N.J.A.C. 14:3-7.13.

Tampering with Public Service facilities may be punishable by fine and/or imprisonment under the New Jersey Code of Criminal Justice.

7. CUSTOMER'S INSTALLATION

- 7.1. General:** No material change in the total input rating, or method of operation of customer's equipment shall be made without previous written notice to Public Service. For the purpose of this paragraph a material change in total input rating is defined as a change of 50,000 Btu per hour input or 10%, whichever is larger. A material change in method of operation is defined as a 50% change in the customer's total annual gas consumption.
- 7.2. Piping:** Gas piping installed on the customer's premises must conform to all requirements of municipal or other properly constituted public authorities, the most current edition of the standards of the fuel gas subcode of the "Uniform Construction Code", and to the regulations set forth in "General Criteria for Installation of Gas Appliances and Gas Piping," issued by Public Service and available on request.
- 7.3. Gas Equipment and Appliances:** All gas equipment and appliances shall be certified to applicable U.S. standards by a nationally recognized testing laboratory, and marked with the appropriate certification approval. The manner of installation of all gas equipment and appliances shall be in accordance with all local construction codes, the most current edition of the standards of the fuel gas subcode of the "Uniform Construction Code", and the regulations set forth in "General Criteria for Installation of Gas Appliances and Gas Piping," issued by Public Service and available on request.
- 7.4. Back Pressure and Suction:** When the nature of customer's gas fired equipment, gas compressors or gas piping configuration is such that it may cause back pressure or suction in the piping system, meters or other associated equipment of Public Service, suitable protective devices as defined by the standards of the fuel gas subcode of the "Uniform Construction Code", fittings, valves or check valves shall be furnished, installed and maintained by the customer, subject to the inspection and approval by Public Service.

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(Continued)

- 7.5. Maintenance of Customer's Installation:** Customer's entire installation shall be maintained in the condition required by the municipal or other public authorities having jurisdiction and by Public Service.
- 7.6. Appliance Adjustments:** Public Service will make, without additional charge, safety related adjustments to gas burners and certain associated equipment as determined by the Board to be necessary to the functioning of gas appliances in use on customer's premises. Other adjustments or repairs to such appliances may be made, or other services connected with the rendering of gas service may be performed, by Public Service at the customer's expense. Service procedures are detailed in "Servicing Equipment and Facilities on Customers' Premises," issued by Public Service and available on request.
- 7.7. Adequacy and Safety of Installation:** Public Service shall not be required to supply gas service until the customer's installation shall have been approved by the authorities having jurisdiction. Public Service may withhold or discontinue its service whenever such installation or part thereof is deemed by Public Service to be unsafe, inadequate, or unsuitable for receiving service, or to interfere with or impair the continuity or quality of service to the customer or to others.
- Public Service will assume no responsibility for the condition of customer's gas installation or for accidents, fires, or failures which may occur as the result of the condition of such gas installation.
- Neither by inspection or nonrejection, nor in any other way, does Public Service give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structure, equipment, wires, pipes, appliances, or devices used by the customer.
- 7.8. Liability for Customer's Installation:** Public Service will not be liable for damages or for injuries sustained by customers or others or by the equipment of customers or others by reason of the condition or character of customers' facilities or the equipment of others on customers' premises or by reason of the characteristics of the service that are in accord with Section 4.1 of these Standard Terms and Conditions. Public Service will not be liable for the use, care or handling of the gas service delivered to the customer after same passes beyond the point at which the service facilities of Public Service connect to the customers' facilities.

8. METER READING AND BILLING

- 8.1. Measurement of Gas Used:** Public Service will select the type and make of metering equipment and may, from time to time, change or alter such equipment; its sole obligation is to supply meters that will accurately and adequately furnish records for billing purposes.

Where service through more than one meter is permitted by Public Service as outlined under Section 6.1 of these Standard Terms and Conditions, the cubic-foot use registered by the individual meters will be combined for billing purposes. In all other instances, each meter shall be billed separately.

Bills will be based upon registration of Public Service meters except as otherwise provided for in this Tariff.

STANDARD TERMS AND CONDITIONS
(Continued)

8.2. Correction for Pressure: In any case where, pursuant to Section 4.3, Public Service measures the gas delivered to a customer under pressure greater than that exerted by a column of water seven inches in height, the cubic feet of gas registered by the meter or meters of Public Service shall be subject to correction for billing purposes by the application of a proper correction factor.

8.3. Metering on Customer's Premises:

8.3.1. General: The service and supply of gas by Public Service for the use of owners, landlords, tenants, or occupants of residential buildings or premises will be furnished to them as customers of Public Service through Public Service individual meters.

The service and supply of gas by Public Service to owners, landlords, tenants, or occupants of industrial or commercial buildings or premises may be further distributed to other users within such structures and such use and resultant charges, including appropriate administrative costs, apportioned to such users. However, such charges shall not exceed the amount that Public Service would charge if the tenant were served and billed directly by Public Service on the most appropriate rate schedule.

Where customer installs, or has installed a gas-fired pool heating device, service to such device must be limited to a separate line with a shutoff valve or a separate meter.

8.3.2. Submetering: The practice in which the customer of record buys gas service from Public Service and resells it through some metering device at a profit is not permitted.

8.3.3. Check Metering: Where a customer monitors or evaluates his own consumption of gas or any portion thereof in an effort to promote and stimulate conservation or for accountability by means of individual meters, computers or otherwise, installed, operated, and maintained at such customer's expense, such practice will be defined as check metering.

Gas check meters are devices that measure the volume of gas being delivered to particular locations in a system after measurement by a Public Service owned meter. Gas check meters provide the customer-of-record the means to apportion among the end users the cost of gas service being supplied through the Public Service owned meter.

If the customer-of-record charges the tenant for the usage incurred by the tenant such charges shall not exceed the amount Public Service would have charged such tenant if the tenant had been served and billed directly by Public Service on the most appropriate rate schedule, except that reasonable administrative expenses may be included.

Check metering will be permitted in new or existing buildings or premises where the basic characteristic of use is industrial or commercial. Check metering will not be permitted in new or existing buildings or premises where the basic characteristic of use is residential, except where such buildings or premises are publicly financed or government owned; or are condominiums or cooperative housing; or are eleemosynary in nature. In the case of dwelling units, all gas consuming devices must be metered through a single check meter.

**STANDARD TERMS AND CONDITIONS
(Continued)**

Check metering for the aforementioned purposes and applications shall not adversely affect the ability of Public Service to render service to any customer within the affected building or premises or any other customer. The customer shall contact Public Service prior to the installation of any check metering device to ascertain that it will not cause operating problems. The ownership of all check metering devices is that of the customer, along with all incidents in connection with said ownership, including accuracy of the equipment, meter reading and billing, liability arising from the presence of the equipment and the maintenance and repair of the equipment. Any additional costs which may result from and are attributable to the installation of check metering devices shall be borne by the customer.

The customer shall be responsible for the accuracy of check metering equipment. In the event of a dispute involving such accuracy, the Public Service meter will be presumed correct, subject to test results.

- 8.4. Testing of Meters:** At such times as Public Service may deem proper, or as the Board of Public Utilities may require, Public Service will test its meters in accordance with the standards and bases prescribed by the Board of Public Utilities.

Public Service shall, without charge, make a test of the accuracy of a meter(s) upon request of the customer, provided such customer does not make a request for test more frequently than once in 12 months. A report giving results of such tests shall be made to the customer, and a complete record of such tests shall be kept on file at the office of Public Service in conformance with the New Jersey Administrative Code.

- 8.5. Metering Options:** The following optional metering services are available to customers and are subject to the following charges as indicated in the following subsections:

- 8.5.1. Gas Data Pulses and Remotes:** Public Service will install and maintain the necessary equipment to supply data pulses for the customer's use, and remote metering equipment at the customer's request. Customers requesting these services are subject to a minimum term of one year:

Description	Set-Up Charge – Data Pulses		Set-Up Charge - Remote		Monthly Charge
	Charges	Charges including SUT	Charges	Charges including SUT	
Residential Meter	\$100.00	\$107.00	\$140.00	\$149.80	\$1.00
Large Diaphragm – Retrofit	\$ 40.00	\$ 42.80	\$140.00	\$149.80	\$1.00
Large Diaphragm – Change					
Model 53 It	\$100.00	\$107.00	\$170.00	\$181.90	\$2.00
Model 10 It	\$130.00	\$139.10	\$170.00	\$181.90	\$2.00
Model 20 It	\$130.00	\$139.10	\$170.00	\$181.90	\$2.00
Model 30 It	\$340.00	\$363.80	\$365.00	\$390.55	\$3.00
Model 60 It	\$650.00	\$695.50	\$800.00	\$856.00	\$3.00
Rotary without Instrument	\$450.00	\$481.50	\$300.00	\$321.00	\$2.00
Rotary with Instrument	\$100.00	\$107.00	\$100.00	\$107.00	\$2.00
Turbine	\$100.00	\$107.00	\$100.00	\$107.00	\$2.00

Date of Issue: December 6, 2006

Effective: November 9, 2006

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in Docket No. GR05100845

STANDARD TERMS AND CONDITIONS
(Continued)

- 8.5.2. Customer Usage Information:** Where Public Service has an interval meter installed, twelve months of interval usage, where available, will be provided upon request of the customer. The historical interval data will be provided based upon the measurement interval of the installed meter, and will be sent to the customer in an electronic format. The cost per meter, per request is \$40.00.

Where Public Service has an interval meter installed, Public Service will provide Internet access to customer historical usage data on a next-day basis for those customers who request such service. The charges for this service shall include a set up charge of \$107.00 per meter, and a monthly charge of \$17.00 per meter per month. Customer will be required to sign an Agreement for this service.

- 8.6. Billing Adjustments:** Whenever a meter is found to be registering fast by 2% or more, an adjustment of charges shall be made. When a meter is found to be registering slow by more than 2%, an adjustment of charges may be made in the case of meter tampering, non-register meters, or in circumstances in which a customer, other than RSG, should reasonably have known that the bill did not accurately reflect the usage.
- 8.7. Meter Reading and Billing Period:** All charges are stated on a monthly basis. The term "month" for billing purposes shall mean the period between any two consecutive regularly scheduled meter readings. Meter reading schedules provide for reading meters, in accordance with their geographic location, as nearly as may be practicable every thirty days. Schedules are prepared in advance by Public Service and are available for inspection.
- 8.8. Proration of Monthly Charges:** For all billings for service, including initial bills, final bills, and bills for periods other than twenty-five to thirty-six days inclusive, except for temporary service accounts and Rate Schedules CIG, TSG-F, and TSG-NF, the monthly charges will be prorated on the basis of one-thirtieth for each day of service, each month being considered as thirty days when determining the number of days on which prorating is based. For temporary service accounts the minimum period for billing purposes shall be one month.
- 8.9. Averaged Bills:** Where Public Service is unable to read the meter, Public Service may estimate the amount of gas supplied and submit an averaged bill, so marked, for customer's acceptance. Adjustment of such customer's averaged use to actual use will be made after an actual meter reading is obtained.

Public Service reserves the right to discontinue gas service when a meter reading is not obtained for eight (8) consecutive billing periods (monthly accounts), and after written notice is sent to a customer on the fifth and seventh months explaining that a meter reading must be obtained. Public Service will take all reasonable means to obtain a meter reading during normal working hours, evening hours or Saturdays before discontinuing service. After all reasonable means to obtain a meter reading have been exhausted, Public Service may discontinue service provided at least eight months have passed since the last meter reading was obtained, the Board of Public Utilities has been so notified and the customer has been properly notified by prior mailing.

STANDARD TERMS AND CONDITIONS
(Continued)

- 8.10. Budget Plan (Equal Payment Plan):** Customers billed under Rate Schedules RSG and GSG (where GSG gas service is used for residential purposes in buildings of four or fewer units), shall have the option of paying for their Public Service charges in equal, estimated monthly installments. The total Public Service charges for a twelve month period will be averaged over twelve months and may be paid in twelve equal monthly installments. Adjustments will be made in the twelfth month if actual charges are more or less than the budget amounts billed. A review between the actual cost of service and the monthly budget amount will be made at least once in the budget plan year. A final bill for a budget plan year shall be issued at the end of the budget plan year and shall contain that month's monthly budget amount plus any adjustments will be made if actual charges are more or less than the budget amount billed.
- 8.11. Billing of Charges in Tariff:** Unless otherwise ordered by the Board of Public Utilities, the charges and the classification of service set forth in this Tariff or in amendments hereof shall apply to the first month's billing of service in the regular course on and after the effective date set forth in such Tariff covering the use of gas service subsequent to the scheduled meter reading date for the immediately preceding month.
- 8.12. Payment of Bills:** At least 15 days time for payment shall be allowed after sending a bill. Bills are payable at any Customer Service Center of Public Service, or by mail, or to any collector or collection agency duly authorized by Public Service. Whenever a residential customer advises Public Service that he wishes to discuss a deferred payment agreement because he is presently unable to pay a total outstanding bill, Public Service will make a good-faith effort to allow a residential customer the opportunity to enter into a reasonable deferred payment agreement, either prior to or after the occurrence of discontinuance of service for non-payment. A residential electric or gas customer is not required to pay, as a down payment, more than 25% of the total outstanding bill due at the time of the agreement. Such agreements which extend more than 2 months must be in writing and shall provide that a customer who is presently unable to pay an outstanding debt for Public Service services may make reasonable periodic payments until the debt is liquidated, while continuing payment of current bills. While a deferred payment agreement for each separate service need not be entered into more than once a year, Public Service may offer more than one such agreement in a year. If the customer defaults on any of the terms of the agreement, Public Service may discontinue service after providing the customer with a notice of discontinuance. If a customer's service has been terminated for non-payment of bills, Public Service may not condition restoration of service on payment of a deposit, unless either said deposit has been included on prior bills or on a notice to the customer.

In the case of a residential customer who receives more than one utility service from Public Service and has entered into a separate agreement for each separate service, default on one such agreement shall constitute grounds for discontinuance of only that service.

- 8.13. Late Payment Charge:** A late payment charge at the rate of 1.416% per monthly billing period shall be applied to the accounts of customers taking service under all rate schedules contained herein except for Rate Schedule RSG. Service to a body politic will not be subject to a late payment charge. The charge will be applied to all amounts billed including accounts payable and unpaid finance charge amounts applied to previous bills,

Date of Issue: December 6, 2006

Effective: November 9, 2006

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in Docket No. GR05100845

**STANDARD TERMS AND CONDITIONS
(Continued)**

which are not received by Public Service within 45 days following the date specified on the bill. The amount of the finance charge to be added to the unpaid balance shall be calculated by multiplying the unpaid balance by the late payment charge rate. When payment is received by Public Service from a customer who has an unpaid balance which includes charges for late payment, the payment shall be applied first to such charges and then to the remainder of the unpaid balance.

8.14. Returned Check Charge: A \$15.00 charge shall be applied to the accounts of customers who have checks to Public Service returned unhonored by the bank.

8.15. Field Collection Charge: A charge may be applied to the accounts of customers when it becomes necessary for Public Service to make a collection visit to the customer or premises. A charge of \$16.00 may be applied to commercial and industrial accounts which include Rate Schedules: GSG, LVG, SLG, CIG, TSG-F and TSG-NF.

9. LEAKAGE

Customer shall immediately give notice to Public Service at its office of any escape of gas in or about the customer's premises.

10. ACCESS TO CUSTOMER'S PREMISES

Public Service shall have the right of reasonable and safe access to customer's premises, and to all property furnished by Public Service, at all reasonable times for the purpose of inspection of customer's premises incident to the rendering of service, reading meters or inspecting, testing, or repairing its facilities used in connection with supplying the service, or for the removal of its property. The customer shall obtain, or cause to be obtained, all permits needed by Public Service for access to its facilities. Access to facilities of Public Service shall not be given except to authorized employees of Public Service or duly authorized governmental officials.

11. DISCONTINUANCE OF SERVICE

11.1. By Public Service: Public Service, upon reasonable notice, when it can be reasonably given, may suspend or curtail or discontinue service for the following reasons: (1) for the purpose of making permanent or temporary repairs, changes or improvements in any part of its system; (2) for compliance in good faith with any governmental order or directive notwithstanding such order or directive subsequently may be held to be invalid; (3) for any of the following acts or omissions on the part of the customer: (a) non-payment of a valid bill due for service furnished at a present or previous location. However, non-payment for business service shall not be a reason for discontinuance of residence service except in cases of diversion of service pursuant to N.J.A.C. 14:3-7.16; (b) tampering with any facility of Public Service; (c) fraudulent representation in relation to the use of service; (d) customer moving from the premises, unless the customer requests that service be continued; (e) providing service to others without approval of Public Service except as permitted under Section 8.3 Metering on Customer's Premises; (f) failure to make or increase an advance payment or deposit as provided for in these Standard Terms and Conditions; (g) refusal to contract for service where such contract is required; (h)

**STANDARD TERMS AND CONDITIONS
(Continued)**

connecting and operating equipment in such manner as to produce disturbing effects on the service of Public Service or other customers; (i) failure of the customer to comply with any of these Standard Terms and Conditions; (j) where the condition of the customer's installation presents a hazard to life or property; or (k) failure of customer to repair any faulty facility of the customer; (4) for refusal of reasonable and safe access to customer's premises for necessary purposes in connection with rendering of service, including meter installation, reading or testing, or the maintenance or removal of the property of Public Service.

Public Service may not discontinue service for non-payment of bills unless it gives the customer at least 10 days written notice of its intentions to discontinue, 15 days if a landlord-tenant relationship is known to exist. The notice of discontinuance shall not be served until the expiration of the 15-day period indicated in Section 8.12 Payment of Bills. No additional notice will be required when, in a response to a notice of discontinuance, payment by check is subsequently dishonored. However, in case of fraud, illegal use, or when it is clearly indicated that the customer is preparing to leave, immediate payment of accounts may be required.

Public Service may not discontinue service because of non-payment of bills in cases where a charge is in dispute, provided that the undisputed charges are paid and a request is made to the Board for investigation of the disputed charge. In such cases, Public Service shall notify the customer that unless steps are taken to invoke formal or informal Board action within 5 days, service will be discontinued for non-payment.

Public Service may not discontinue residential service except between the hours of 8:00 A.M. to 4:00 P.M. Monday through Thursday, unless there is a safety related emergency. There shall be no involuntary termination of service on Friday, Saturday, and Sunday or on the day before a holiday or on a holiday, absent such emergency.

Discontinuance of residential service for non-payment is prohibited if a medical emergency exists within the premises which would be aggravated by discontinuance of service and the customer gives reasonable proof of inability to pay. Discontinuance shall be prohibited for a period of up to 2 months when a customer submits a physician's statement in writing to Public Service as to the existence of the emergency, its nature and probable duration, and that termination of service will aggravate the medical emergency. Recertification by the physician as to continuance of the medical emergency shall be submitted to Public Service after 30 days. However, at the end of such period of emergency, the customer shall still remain liable for payment of service(s) rendered, subject to the provision of N.J.A.C. 14:3-7.13.

1. The Board may extend the 60-day period for good cause upon the receipt of a written request from the customer. That written request shall be in accordance with the preceding terms.
2. Public Service may in its discretion, delay discontinuance of residential service for nonpayment prior to submission of the physician's statement required by this subsection when a medical emergency is known to exist.

**STANDARD TERMS AND CONDITIONS
(Continued)**

Public Service shall make every reasonable effort to determine when a landlord-tenant relationship exists at residential premises being served. If such a relationship is known to exist, service will not be shut off unless Public Service has posted a notice of discontinuance 15 days prior to the scheduled discontinuance in common areas of multiple-family premises or has given individual notice to occupants of single-family and two-family premises and has offered the tenants continued service to be billed to the tenants, unless Public Service demonstrates that such billing is not feasible. The continuation of service to a tenant shall not be conditioned upon payment by the tenant of any outstanding bills due upon the account or any other person. Public Service shall not be held to the requirements of this Tariff section if the existence of a landlord-tenant relationship could not be reasonably ascertained.

When a landlord-tenant relationship is known to exist, at the landlord's request, Public Service will provide the landlord with notice and/or have the service placed in the landlord's name if the tenant's service is being discontinued.

- 11.2. At Customer's Request:** A customer wishing to discontinue service must give notice as provided in the applicable rate schedule. Where such notice is not received by Public Service, customer shall be liable for service until final reading of the meter is taken. Notice to discontinue service will not relieve a customer from any minimum or guaranteed payment under any contract or rate schedule.

12. RECONNECTION CHARGE

A reconnection charge of \$20.00 will be made for restoration of service when service has been suspended or discontinued for non-payment of any bill due.

13. SERVICE LIMITATIONS

- 13.1. Continuity of Service:** Public Service will use reasonable diligence to provide a regular and uninterrupted supply of service; but, should the supply be suspended, curtailed, or discontinued by Public Service for any of the reasons set forth in Section 11 of these Standard Terms and Conditions, or should the supply of service be interrupted, curtailed, deficient, defective, or fail, by reason of any act of God, accident, strike, legal process, governmental interference, or by reason of compliance in good faith with any governmental order or directive, notwithstanding such order or directive subsequently may be held to be invalid, Public Service shall not be liable for any loss or damage, direct or consequential, resulting from any such suspension, discontinuance, interruption, curtailment, deficiency, defect, or failure.
- 13.2. Emergencies:** Public Service may curtail or interrupt service to any customer or customers in the event of an emergency threatening the integrity of its system or the systems to which it is directly or indirectly connected if, in its sole judgment, such action will prevent or alleviate the emergency condition.
- 13.3. Unusual Conditions:** Public Service may place limitations on the amount and character of gas service it will supply or transport and may refuse such service to new customers, to existing customers for additional load, or to customers whose service agreements have

**STANDARD TERMS AND CONDITIONS
(Continued)**

expired if Public Service is or will be unable to obtain or does not have assured the necessary production raw materials, equipment and facilities to supply such gas or transportation service. In the case of transportation service, if Public Service, at its sole discretion, determines that such service would not be consistent with the best interest of its customers served under all rate schedules contained herein such service may be denied to applicants for such service.

14. THIRD PARTY SUPPLIER SERVICE PROVISIONS

- 14.1. Third Party Supplier Gas Supply:** Customers served on Rate Schedules RSG, GSG, LVG, SLG and TSG-NF may choose to receive gas supply from either a Third Party Supplier (TPS) or from Public Service through its Basic Gas Supply Service. Customers on these rate schedules who are not enrolled with a TPS will receive their gas supply from Public Service. Customers served on Rate Schedule TSG-F may only receive gas supply from a TPS. The customer's supply of gas is limited to one TPS for the account(s) at a particular customer facility or complex.

A TPS is either a retail energy provider that has been licensed by the Board or is a customer served under Rate Schedule TSG-NF that has elected to self supply and act as a TPS on their own behalf. All TPSs must execute an Application for Service, be accepted by Public Service, and conform with the Third Party Supplier Requirements section of this Tariff.

- 14.2. Enrollment:** Customers may request an enrollment package from Public Service which in addition to providing general information regarding gas supply describes the process necessary for a customer to obtain a TPS for gas supply. This enrollment package will be provided to the customer at no charge and may be obtained by calling or writing Public Service or visiting a Customer Service Center. Once the customer has chosen a TPS, the customer must provide appropriate authorization as required by their designated supplier.

- 14.3. Selection or Change of Third Party Supplier:** In order to be eligible to receive gas supply from a TPS, the customer must contract with a TPS to obtain gas supply for delivery to the customer by Public Service. The customer's designated TPS is required to notify Public Service of its selection as the customer's provider of gas supply on or before the first business day of the month for deliveries to commence on the first scheduled meter reading date following the first calendar day of the following month for Rate Schedules RSG, GSG, LVG, and SLG. Notification for customers on Rate Schedules TSG-F and TSG-NF is required prior to the last business day of the month. Such selection shall remain in effect for the entire billing period.

For customers on Rate Schedule RSG, GSG, LVG and SLG, once Public Service has received the TPS notification for the initial, or subsequent, enrollment with a TPS, Public Service will confirm the customer's selection of its designated TPS by sending a letter of confirmation to the customer, which will be sent within one business day. In the event of a dispute, assignment of a customer will not occur unless and until the dispute is resolved. This confirmation letter will include notification of the RSG customer's right to rescind their contract with their designated TPS which must be exercised within fourteen (14) days of mailing of the letter of confirmation. Once assignment has occurred, the TPS will be required to supply all of the gas supply on the Public Service customer's account.

Date of Issue: December 6, 2006

Effective: November 9, 2006

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(Continued)

14.4. Return to Public Service Basic Gas Supply Service Default Service: Customers may return to Public Service Basic Gas Supply Service default service for commodity supply under the conditions and procedures as outlined below.

14.4.1. Customers on Rate Schedules RSG, GSG, LVG and SLG: Customers that subsequently choose to return to Basic Gas Supply Service default service must notify Public Service on or before the first business day of the month for deliveries to commence on the first scheduled meter reading date following the first calendar day of the following month. Public Service will confirm the customer's selection of Basic Gas Supply Service default service gas supply by sending a letter of confirmation to the customer, which will be sent within one business day. This confirmation letter will include notification of the customer's right to rescind their selection which must be exercised within fourteen (14) days of mailing of the letter of confirmation. GSG, LVG, and SLG customers not exercising their right of rescission within the fourteen (14) day period may be subject to renewable one-year terms on Basic Gas Supply Service default service.

If a customer's TPS notifies Public Service on or before the first of the month that it has terminated its supply relationship with the customer, such termination will become effective on the first scheduled meter reading date following the first calendar day of the following month. The customer will be advised by Public Service in writing of this change in supplier. The customer will be placed on the applicable Public Service Basic Gas Supply Service default service unless the customer has selected another TPS in accordance with Section 14.3. GSG, LVG, and SLG customers provided Basic Gas Supply Service default service for two or more consecutive months may be subject to renewable one-year terms on Basic Gas Supply Service default service.

14.4.2. Customers on Rate Schedule TSG-NF: For customers that subsequently choose to return to Basic Gas Supply Service default service, the return will become effective on the first of the month following the customer's written notification to Public Service, provided that such notice was given prior to the last business day of the preceding month. Public Service will confirm the customer's selection of Basic Gas Supply Service default service gas supply by sending a letter of confirmation to the customer, which will be sent within one business day.

If a customer's TPS notifies Public Service that it has terminated its supply relationship with the customer, such termination will become effective on the first of the month after such notification, provided such notification was received no later than the next to last business day of the month. In the event that notification is received after the next to last business day of the month, such termination shall become effective the first of the second month following such notification. The customer will be advised by Public Service in writing of this change in supplier. The customer will be placed on the applicable Public Service Basic Gas Supply Service default service unless the customer has selected another TPS in accordance with Section 14.3.

14.4.3. Customers on Rate Schedule TSG-F: Basic Gas Supply Service default service is not available for customers on Rate Schedule TSG-F.

STANDARD TERMS AND CONDITIONS
(Continued)

- 14.5. Emergency Sales Service:** Under certain conditions as specified below, Public Service may supply gas commodity on the Emergency Sales Service provision. Emergency Sales Service will be offered at the sole discretion of Public Service, after taking into consideration its other firm supply obligations. Public Service reserves the right to curtail service to any customer if deliveries from customer's TPS pursuant to Third Party Supplier Requirements are curtailed.
- 14.5.1. Customers on Rate Schedules RSG, GSG, LVG and SLG:** During any month where Public Service cannot confirm that the customer has an eligible TPS, or if the TPS no longer satisfies the Third Party Supply Requirements section of this tariff, Public Service may supply gas commodity service to such customer as Emergency Sales Service unless and until customer selects another TPS in accordance with Section 14.3. The customer will be advised by Public Service in writing that, until the customer's next meter reading date the customer will be billed, in addition to all applicable delivery charges, the Emergency Sales Service Charge for all of its applicable Daily Contract Quantity (DCQ) therms. Thereafter, the customer will be placed on the applicable Public Service Basic Gas Supply Service default service. GSG, LVG, and SLG customers provided Basic Gas Supply Service default service for two or more consecutive months may be subject to renewable one-year terms on Basic Gas Supply Service default service.
- 14.5.2. Customers on Rate Schedule TSG-NF:** During any month where Public Service cannot confirm that the customer has an eligible TPS, or if the TPS no longer satisfies the Third Party Supply Requirements section of this tariff, Public Service may supply gas commodity service to such customer as Emergency Sales Service unless and until customer selects another TPS in accordance with Section 14.3. The customer will be advised by Public Service in writing that, for the balance of the current month the customer will be billed, in addition to all applicable delivery charges, the Emergency Sales Service Charge for all of its therm usage. Commencing on the first of the following month the customer will be placed on the applicable Public Service Basic Gas Supply Service default service.
- 14.5.3. Customers on Rate Schedule TSG-F:** During any month where Public Service cannot confirm that the customer has an eligible TPS, or if the TPS no longer satisfies the Third Party Supply Requirements section of this tariff, Public Service may supply gas commodity service to such customer as Emergency Sales Service unless and until customer selects another TPS in accordance with Section 14.3. The customer will be advised by Public Service in writing that the customer will be billed, in addition to all applicable delivery charges the Emergency Sales Service Charge for all of its therm usage.

STANDARD TERMS AND CONDITIONS
(Continued)

- 14.6. Customer Billing Process:** For TPS retail customers served under Rate Schedule RSG, GSG, LVG and SLG, Public Service will provide one combined bill containing both Public Service charges and TPS gas supply charges, providing the TPS executes and satisfies the terms of the Third Party Supplier Customer Account Services Master Service Agreement, and the retail customer(s) maintain a satisfactory bill payment history. Customer(s) may elect to receive a separate bill directly from its TPS for third party supplied services. If a customer requests and is permitted to receive a combined bill, but subsequently fails to satisfy Public Service's bill payment requirements at any point in the future, such customer will thereafter be required to receive a separate bill directly from its TPS (including any subsequent TPS) for third party supplied services and will not be permitted to receive a combined bill from Public Service for a period of one year. Only Public Service owned, installed, and read meters will be used to determine customer usage for the purpose of calculating Public Service charges.
- 14.6.1. Payment of Bills:** Where Public Service provides billing service, the payment of bills, including TPS's charges for gas supply if billed by Public Service, will be made to Public Service and will be in accordance with Section 8, Meter Reading and Billing, of these Standard Terms and Conditions. Any customer overpayment will be held in the customer's Public Service account to be applied against future customer bills or will be refunded to the customer at the customer's request.
- 14.6.2. Late Payment Charges:** A late payment charge in accordance with Section 8.13, Late Payment Charge, of these Standard Terms and Conditions is to be applicable to Public Service customer charges and TPS's charges for gas supply if billed by Public Service. Customer shut-offs in cases where there is non-payment to Public Service for its customer charges and TPS's charges for gas supply if billed by Public Service, are only performed in accordance with Section 11, Discontinuance of Service, of these Standard Terms and Conditions.
- 14.6.3. Billing Disputes:** In the event of a billing dispute between the customer and the TPS, Public Service's sole duty is to verify its customer charges and billing determinants. Customer continues to remain responsible for the timely payment of all Public Service charges and all undisputed TPS charges for gas supply if such charges are billed by Public Service in accordance with Section 8, Meter Reading and Billing, and Section 14.6.1, Payment of Bills, of these Standard Terms and Conditions. All questions regarding TPS's charges or other terms of the customer's agreement with a TPS are to be resolved between the customer and its TPS. Public Service will not be responsible for the enforcement, intervention, mediation, or arbitration of agreements entered into between TPS customer and TPS. Billing disputes that may arise regarding Public Service's charges shall be subject to Section 11, Discontinuance of Service, of these Standard Terms and Conditions.
- 14.7. Third Party Supplier's Termination of Customer's Gas Supply:** A TPS will not be permitted to physically connect or disconnect gas supply service to a customer.
- 14.8. Continuity of Service:** Public Service shall have the right: (i) to require a TPS's gas supply sources to be disconnected from Public Service's gas system; (ii) to otherwise curtail, interrupt, or reduce a TPS's gas supply; or (iii) to disconnect a TPS's customer(s) in accordance with Section 11, Discontinuance of Service, and Section 13, Service Limitations, of these Standard Terms and Conditions.

STANDARD TERMS AND CONDITIONS
(Continued)

- 14.9. Regulatory Requirements:** Public Service will not be responsible for: making any arrangements necessary; obtaining from appropriate regulatory bodies any approvals necessary; any costs, charges and expenses including but not limited to the payment to appropriate governmental entities for any tax or assessment relative to the acquisition, transportation or use of customer's gas supply.
- 14.10. Delivery Liability:** Public Service will not be liable in any way for any failure in whole or in part, temporary or permanent, to deliver gas under this Tariff for Gas Service to the extent such failure is due to customer's TPS's failure to deliver gas supplies to Public Service in accordance with the TPS Requirements. Public Service will not be liable in anyway for errors in the calculation of the customer's DCQ and/or delivery requirement.
- 14.11. Delivery Control and Possession:** After customer delivers gas or causes gas to be delivered to Public Service at Public Service's point of interconnection with the applicable interstate pipeline, Public Service will be deemed to be in control and possession of the gas until an equivalent amount of gas, less losses, is delivered to customer at customer's Public Service meter.

15. NEW JERSEY AUTHORIZED TAXES

The following taxes are authorized by the State of New Jersey and are applied in accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), as amended by P.L. 2006, c. 44, and are included in the appropriate charges contained within this Tariff for Gas Service.

- 15.1. New Jersey Sales and Use Tax:** In accordance with P.L. 1997, c. 162, as amended by P.L. 2006, c. 44, provision for the New Jersey Sales and Use Tax (SUT) has been included in all applicable charges by multiplying the charges that would apply before application of the SUT by the factor 1.06.
- 15.1.1. Exemptions due to the Energy Tax Reform Statute:** The Energy Tax Reform Statute exempts the following customers from the SUT provision, and when billed to such customers, the charges otherwise applicable shall be reduced by the provision for the SUT included therein:
- a) Franchised providers of utility services (gas, electricity, water, wastewater and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - b) Cogenerators in operation, or which had filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 *et seq.*) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
 - c) Special contract customers for which a customer-specific tax classification was approved by a written Order of the New Jersey Board of Public Utilities prior to January 1, 1998.
 - d) Agencies or instrumentalities of the federal government.
 - e) International organizations of which the United States of America is a member.
 - f) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162, as amended by P.L. 2006, c. 44.

Date of Issue: December 6, 2006

Effective: November 9, 2006

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15.1.2. Exemptions due to the Business Retention and Relocation Assistance Act: The Business Retention and Relocation Assistance Act (P.L. 2004, c. 65) and subsequent amendment (P.L. 2005, c. 374) exempts the following customers from the SUT provision, and when billed to such customers, the charges otherwise applicable shall be reduced by the provision for the SUT included therein:

- a) A qualified business that employs at least 250 people within an enterprise zone, at least 50% of whom are directly employed in a manufacturing process, for the exclusive use or consumption of such business within an enterprise zone, and
- b) A group of two or more persons:
 - (b-1) Each of which is a qualified business that are all located within a single redevelopment area adopted pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 *et seq.*);
 - (b-2) That collectively employ at least 250 people within an enterprise zone, at least 50% of whom are directly employed in a manufacturing process;
 - (b-3) Are each engaged in a vertically integrated business, evidenced by the manufacture and distribution of a product or family of products that, when taken together, are primarily used, packaged and sold as a single product; and
 - (b-4) Collectively use the energy and utility service for the exclusive use or consumption of each of the persons that comprise a group within an enterprise zone.
- c) A business facility located within a county that is designated for the 50% tax exemption under section 1 of P.L. 1993, c. 373 (C.54:32B-8.45) provided that the business certifies that it employs at least 50 people at that facility, at least 50% of whom are directly employed in a manufacturing process, and provided that the energy and utility services are consumed exclusively at that facility.

A business that meets the requirements in (a), (b) or (c) above shall not be provided the exemption described in this section until it has complied with such requirements for obtaining the exemption as may be provided pursuant to P.L.1983, c. 303 (C.52:27H-60 *et seq.*) and P.L.1966, c. 30 (C.54:32B-1 *et seq.*) and Public Service has received a sales tax exemption letter issued by the New Jersey Department of Treasury, Division of Taxation.

15.2. Transitional Energy Facility Assessment: In accordance with P.L. 1997, c. 162, provision for a temporary Transitional Energy Facility Assessment (TEFA), as shown on the Transitional Energy Facility Assessment Unit Tax page of this Tariff for Gas Service, has been included in the per therm distribution charges as applicable.

15.2.1. Exemptions due to the Energy Tax Reform Statute: The Energy Tax Reform Statute exempts the following customers from the TEFA provision, and when billed to such customers, the charges otherwise applicable shall be reduced by the amount of the TEFA included therein:

- a) Franchised providers of utility services (gas, electricity, water, wastewater and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- b) Cogenerators in operation, or which had filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 *et seq.*) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.

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(Continued)**

- c) Special contract customers for which a customer-specific tax classification was approved by a written Order of the New Jersey Board of Public Utilities prior to January 1, 1998.
- d) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162.

15.3. New Jersey Corporation Business Tax: In accordance with P.L. 1997, c. 162, provision for the New Jersey Corporation Business Tax (CBT) has been included in the Service Charge, Distribution Charge, and the Demand Charge:

15.3.1. Exemptions due to the Energy Tax Reform Statute: The Energy Tax Reform Statute exempts the following customers from the CBT provision, and when billed to such customers, the above tariff charges otherwise applicable shall be reduced by the provision for the CBT (and related SUT) included therein.

- a) Franchised providers of utility services (gas, electricity, water, wastewater and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- b) Cogenerators in operation, or which had filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 *et seq.*) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
- c) Special contract customers for which a customer-specific tax classification was approved by a written Order of the New Jersey Board of Public Utilities prior to January 1, 1998.
- d) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162.

16. TERMINATION, CHANGE OR MODIFICATION OF PROVISIONS OF TARIFF

This tariff is subject to the lawful orders of the Board of Public Utilities of the State of New Jersey.

Public Service may at any time and in any manner permitted by law, and the applicable rules and regulations of the Board of Public Utilities of the State of New Jersey, terminate, or change or modify by revision, amendment, supplement, or otherwise, this Tariff or any part thereof, or any revision or amendment hereof or supplement hereto.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**Original Sheet No. 36
Original Sheet No. 37
Original Sheet No. 38
Original Sheet No. 39
Original Sheet No. 40**

RESERVED FOR FUTURE USE

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel

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SOCIETAL BENEFITS CHARGE

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

Social Programs.....	0.0000 ¢
Energy Efficiency and Renewables Programs.....	2.3483 ¢
Manufactured Gas Plant Remediation.....	0.3887 ¢
Universal Service Fund - Permanent.....	2.0300 ¢
Universal Service Fund - Lifeline	<u>0.5500 ¢</u>
Societal Benefits Charge	5.3170 ¢
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT).....	<u>5.6892 ¢</u>

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

Date of Issue: December 12, 2008

Effective: December 9, 2008

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

Filed pursuant to Order of Board of Public Utilities dated December 8, 2008
in Docket No. GR07050304

**SOCIETAL BENEFITS CHARGE
(Continued)**

SOCIAL PROGRAMS

This factor shall recover costs associated with existing social programs.

ENERGY EFFICIENCY AND RENEWABLES (EE&R) PROGRAMS

This factor is a recovery mechanism which will operate in accordance with the Demand Side Management (DSM) conservation incentive regulations and successor regulations. The factor shall recover Core and Performance Program Costs and Performance Program Payments, payments for Large-Scale Conservation Investments, and all recoverable costs associated with the Board's Comprehensive Resource Analysis Orders.

Core and Performance Program Costs of BPU-approved DSM/EE&R programs consist of, but are not limited to, rebates, grants, payments to third parties for program implementation, direct marketing costs, DSM/EE&R hardware, administration, measurement and evaluation of DSM/EE&R programs, customer communication and education, market research, costs associated with developing, implementing and obtaining regulatory approval, costs of research and development activities associated with DSM/EE&R, applicable Lost Revenues, utility incentives, and DSM/EE&R advertising costs.

Performance Program Payments are based upon a standard price offer for general applications or for particular DSM measures, which establishes a per unit price for energy and capacity savings which Public Service will pay to third parties for DSM projects which meet viability, technological, measurement and verification criteria.

Large-Scale Conservation Investments are payments for measured and verified energy savings from contracts executed in response to Public Service's Request for Proposals under the Stipulation of Settlement in Docket No. GR010503288010-687B dated July 1, 1988.

MANUFACTURED GAS PLANT REMEDIATION

This factor shall recovery costs associated with addressing and resolving claims by and or requirements of governmental entities and private parties related to activities necessary to perform investigations and the remediation of environmental media.

UNIVERSAL SERVICE FUND

These factors shall recover costs associated with new or expanded social programs.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 43

REALIGNMENT ADJUSTMENT CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG
(Per Therm)**

Realignment Adjustment Charge 0.0000 ¢
Realignment Adjustment Charge including New Jersey Sales and Use Tax (SUT) 0.0000 ¢

Realignment Adjustment Charge

This mechanism shall recover certain Board approved fixed costs and lost revenues related to customer's obtaining their gas supplies from a third party supplier pursuant to Board Orders issued in Docket Nos. GT94040095 dated December 9, 1994 and GO99030124 dated July 31, 2000. Costs recoverable pursuant to this charge will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 44

MARGIN ADJUSTMENT CHARGE

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

Margin Adjustment Charge (0.7341) ¢

Margin Adjustment Charge including New Jersey Sales and Use Tax (SUT) (0.7855) ¢

Margin Adjustment Charge

This mechanism is designed to insure return of certain net revenues to the customer classes denoted above. Actual net revenues will be subject to deferred accounting. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

First Revised Sheet No. 45

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

**Superseding
Original Sheet No. 45**

CUSTOMER ACCOUNT SERVICES CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, TSG-F, TSG-NF AND CIG**

	Per Service Charge Per Month
Customer Account Services Charge.....	\$0.00
Customer Account Services Charge including New Jersey Sales and Use Tax (SUT).....	\$0.00

CUSTOMER ACCOUNT SERVICES CHARGE

This mechanism is designed to recover costs to implement certain customer account services pursuant to the Stipulation as approved in the Board Order Approving Stipulation with Conditions and Modifications under Docket No. EX99090676, dated December 22, 2000.

Date of Issue: October 9, 2007

Effective: November 9, 2007

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 May 17, 2006
in Docket No. EE04070718

RGGI RECOVERY CHARGE

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

Component:

Carbon Abatement Program.....	.0359 ¢
RGGI Recovery Charge.....	.0359 ¢
RGGI Recovery Charge including New Jersey Sales and Use Tax (SUT).....	<u>.0384 ¢</u>

RGGI Recovery Charge

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) Program per the Board Order in Docket No. EO08030164. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

Date of Issue: December 19, 2008

Effective: January 1, 2009

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

Filed pursuant to Orders of Board of Public Utilities dated December 16, 2008
in Docket No. EO08060426

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**First Revised Sheet No. 47
Superseding
Original Sheet No. 47**

RESERVED FOR FUTURE USE

Date of Issue: December 19, 2008

Effective: January 1, 2009

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

Filed pursuant to Orders of Board of Public Utilities dated December 16, 2008
in Docket No. EO08060426

**BGSS-RSG
BASIC GAS SUPPLY SERVICE-RSG
COMMODITY CHARGES APPLICABLE TO RATE SCHEDULE RSG
(Per Therm)**

Estimated Non-Gulf Coast Cost of Gas	9.1107 ¢
Estimated Gulf Coast Cost of Gas	99.3314 ¢
Adjustment to Gulf Coast Cost of Gas	(18.1221)¢
Prior period (over) or under recovery	<u>1.8130 ¢</u>
Adjusted Cost of Gas	92.1330 ¢
Commodity Charge after application of losses: (Loss Factor = 0.5%)	92.5937 ¢
Commodity Charge including New Jersey Sales and Use Tax (SUT)	99.0753 ¢

The above Commodity Charge will be established on a level annualized basis immediately prior to the winter season of each year for the succeeding twelve-month period. The estimated average Non-Gulf and Gulf Coast Cost of Gas will be adjusted for any under- or over-recovery together with applicable interest thereon which may have occurred during the operation of the Company's previously approved Commodity Charge filing. Further, the Company will be permitted a limited self-implementing increase to the Commodity Charge on December 1 and February 1 of each year. These limited self-implementing increases, if applied, are to be in accordance with a Board of Public Utilities approved methodology. Commodity Charge decreases would be permitted at any time if applicable.

The difference between actual costs and Public Service's recovery of these costs shall be determined monthly. If actual costs exceed the recovery of these costs, an underrecovery or a negative balance will result. If the recovery of these costs exceeds actual costs, an overrecovery or a positive balance will result. Interest shall be applied monthly to the average monthly cumulative deferred balance, positive or negative, from the beginning to the end of the annual period. Monthly interest on negative deferred balances (underrecoveries) shall be netted against monthly interest on positive deferred balances (overrecoveries) for the annual period. A cumulative net positive interest balance at the end of the annual period is owed to customers and shall be returned to customers in the next annual period. A cumulative net negative interest balance shall be zeroed out at the end of the annual period. The sum of the calculated monthly interests shall be added to the overrecovery balance or subtracted from the underrecovery balance at the end of the annual period. The positive interest balance shall be rolled into the beginning under- or over-recovery balance of the subsequent annual period.

Date of Issue: February 19, 2009

Effective: March 1, 2009

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

Filed pursuant to Orders of Board of Public Utilities dated October 3, 2008
in Docket No. GR08050368

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 49

**BGSS-F
BASIC GAS SUPPLY SERVICE-FIRM
COMMODITY CHARGES APPLICABLE TO RATE SCHEDULES GSG, LVG, SLG
(Per Therm)**

**To view this tariff sheet, please refer to the section of the Company's website:
MONTHLY GAS TARIFF SHEETS**

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 50

**BGSS-I
BASIC GAS SUPPLY SERVICE-INTERRUPTIBLE
COMMODITY CHARGE APPLICABLE TO RATE SCHEDULE TSG-NF
(Per Therm)**

**To view this tariff sheet, please refer to the section of the Company's website:
MONTHLY GAS TARIFF SHEETS**

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 51

**BGSS-CIG
BASIC GAS SUPPLY SERVICE – COGENERATION INTERRUPTIBLE
COMMODITY CHARGES APPLICABLE TO RATE SCHEDULE CIG
(Per Therm)**

**To view this tariff sheet, please refer to the section of the Company's website:
MONTHLY GAS TARIFF SHEETS**

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 52

**EMERGENCY SALES SERVICE
CHARGE APPLICABLE TO RATE SCHEDULES RSG, GSG, LVG,
SLG, TSG-F, TSG-NF
(Per Therm)**

**To view this tariff sheet, please refer to the section of the Company's website:
MONTHLY GAS TARIFF SHEETS**

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

**BGSS-RSGOP
BASIC GAS SUPPLY SERVICE-RSG OFF-PEAK**

**COMMODITY CHARGE APPLICABLE TO
RATE SCHEDULE RSG OFF-PEAK USE
(Per Therm)**

Cost of Off-Peak RSG Gas Acquired.....	106.3049 ¢
20% of the Non-Gulf Coast Cost of Gas seasonal component	<u>0.7225</u> ¢
Total Cost of Gas	107.0274 ¢
Commodity Charge after application of losses: (Loss Factor = 0.5%).....	107.5625 ¢
Commodity Charge including New Jersey Sales and Use Tax (SUT).....	<u>115.0919</u> ¢

The Commodity Charge will be established on a level basis for the billing months of May to October immediately prior to the Off-Peak season of each year. The Commodity Charge will equal the Cost of Off-Peak RSG Gas Acquired (plus the variable pipeline transportation cost including fuel) and 20% of the Non-Gulf Coast Cost of Gas seasonal component. The Commodity Charge will be adjusted for losses.

The Cost of Off-Peak RSG Gas Acquired will be established prior to the beginning of the Off-Peak period based on the average NYMEX closing price for the first 15 days of April for natural gas to be supplied in the months of May through October.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**Original Sheet No. 54
Original Sheet No. 55**

RESERVED FOR FUTURE USE

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 56

TRANSITIONAL ENERGY FACILITY ASSESSMENT UNIT TAX

The following are the Transitional Energy Facility Assessment Unit Taxes that are included in the per therm Distribution Charges, by rate schedule.

<u>TAX CLASS</u>	<u>RATE SCHEDULE</u>	<u>SPECIAL CONDITION</u>	<u>UNIT TAX</u>
GR – 1	RSG		\$0.023625
GR – 2	RSG	Off Peak	0.016845
GNR – 1	GSG GSG*		0.023400 0.002108
GNR – 2	LVG LVG*		0.011250 0.002108
GNR – 3	GSG GSG*	Off Peak Off Peak	0.002396 0.002108
GNR – 5	TSG-F		0.002108
GNR – 6	TSG-NF		0.001786
GNR – 7	SLG		0.023443

* Applicable to customers who have taken Third Party Supplier commodity service continuously since July 14, 1997.

Date of Issue: December 6, 2006
Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
Effective: November 9, 2006
Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 57
Original Sheet No. 58

RESERVED FOR FUTURE USE

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

**RATE SCHEDULE RSG
RESIDENTIAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

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

DELIVERY CHARGES:**Service Charge:**

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

Distribution Charges:

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

Balancing Charge:

<u>Charge</u>	<u>Charge Including SUT</u>	
8.9679 ¢	9.5957 ¢	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Realignment Adjustment Charge:

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

Margin Adjustment Charge:

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

RGGI Recovery Charge:

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

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

Customer Account Services Charge:

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

Date of Issue: December 19, 2008

Effective: January 1, 2009

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

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated December 16, 2008
in Docket No. EO08060426

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 60

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

COMMODITY CHARGES:

A customer may choose to receive gas supply from either:

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

Third Party Supply:

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

Emergency Sales Service:

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

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

If a customer is receiving Emergency Sales Service and does not wish to designate a TPS for future deliveries or customer, for any reason, no longer desires to receive gas supply from a TPS, the customer may receive gas supply pursuant to Public Service's Basic Gas Supply Service-RSG.

The conditions under which Emergency Sales Service will apply are detailed in Section 14 - Third Party Supplier Service Provisions of the Standard Terms and Conditions of this Tariff, and the charges for this service are defined on the Emergency Sales Service sheet of this Tariff.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 61

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

Basic Gas Supply Service:

Customers that do not receive gas supply from a TPS will be supplied under the Basic Gas Supply Service-RSG (BGSS-RSG) default service.

The BGSS-RSG Commodity Charge will be applied to all therms billed each month, except customers that receive Delivery Service under Special Provision (c) of this Rate Schedule where the therms used for all purposes in excess of 50 therms in any month during the Off-Peak Period shall be charged at the BGSS-RSGOP Commodity Charge.

Refer to the Basic Gas Supply Service – RSG sheets of this Tariff for the current charge for the BGSS-RSG commodity charge and the BGSS-RSGOP commodity charge.

OTHER CHARGES:

See Special Provisions (c) and (g) below.

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factors which appear on every bill.

Balancing Use Therms:

During each of the billing months of November through March, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Daily Contract Quantity:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated by Public Service for twelve (12) months by dividing customer's weather-normalized usage, adjusted for losses, for each of the most recent twelve (12) billing months by the total number of days in each billing month. Public Service may adjust customer's DCQ during the year, due to changes in customer's gas equipment or pattern of usage. For new customers, customer's initial DCQ will be estimated by Public Service, based upon the rating of the customer's gas equipment and

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

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

expected utilization of the equipment. At the end of each billing period Public Service will calculate the difference between customer's actual usage, adjusted for losses, and actual TPS supply for the billing period, taking into consideration any adjustments from prior months, and will adjust the DCQ for the second succeeding month by that difference divided by the total number of days in the month, provided that such adjustment will not decrease that month's adjusted DCQ to a level less than zero. Any such adjustment that would result in a particular month's DCQ being less than zero will be carried to a future month.

TERMS OF PAYMENT:

Bills are due on presentation.

TERM:

Customer may discontinue delivery service upon notice.

SPECIAL PROVISIONS APPLICABLE TO ALL CUSTOMERS:

- (a) This rate schedule is available where all service is for residential purposes:
 - (a-1) In individual residences and appurtenant outbuildings;
 - (a-2) In residential premises where customer's use of gas service for purposes other than residential is incidental to his residential use;
 - (a-3) For rooming or boarding houses where the number of rented rooms does not exceed twice the number of bedrooms occupied by the customer;
 - (a-4) In separately metered individual flats or apartments in multiple-family buildings;
 - (a-5) In multiple-family buildings of two or more individual flats or apartments where gas service is measured by one meter and is furnished to the tenants or occupants of the flats or apartments by the owner. Where Special Provision (c) is applicable, the applicable terms shall be multiplied by the number of individual flats or apartments, whether occupied or not;
 - (a-6) In multiple-family buildings of two to four individual flats or apartments where gas fired equipment serves multiple flats or apartments. Where Special Provision (c) is applicable, the applicable terms shall be multiplied by the number of individual flats or apartments, whether occupied or not.
- (b) Service under this rate schedule is not available for resale.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

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

- (c) **Off-Peak Use:** Limited to customers with central air-conditioning equipment having a rated capacity of not less than two tons of refrigeration. For all eligible customers the Distribution Charge for the therms used for all purposes in excess of 50 therms in any month during the Off-Peak period shall be set equal to one-half (1/2) the above Distribution Charge.

The Off-Peak period shall commence and end with the regularly scheduled meter readings in the months of April and October, respectively.

SPECIAL PROVISIONS APPLICABLE TO CUSTOMERS SELECTING THIRD PARTY SUPPLIERS FOR COMMODITY SERVICE:

- (d) Customers who desire to purchase their gas supply from a TPS may request an enrollment package from Public Service that describes the process necessary for the customer to obtain a TPS for gas supply. This package will be provided to the customer at no charge by Public Service.
- (e) The customer must contract with a TPS to arrange for deliveries to Public Service of the DCQ, and such TPS agrees to abide by the provisions of the Third Party Supplier Requirements. A customer is limited to one (1) TPS for gas for each account for which the customer receives delivery service.
- (f) The customer's TPS is required to notify Public Service of the customer's selection on or before the first business day of the month for deliveries to commence on the first scheduled meter reading date following the first calendar day of the following month, and such selection shall remain in effect for the billing period, subject to the conditions of Emergency Sales Service.
- (g) Upon customer return to BGSS, change in TPS or the cessation of delivery service, Public Service shall review the status of customer's imbalance between actual usage and actual TPS's deliveries to the customer, less losses, and shall include such imbalances in that TPS's future delivery requirement.

STATE OF NEW JERSEY AUTHORIZED TAXES:

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

THIRD PARTY SUPPLIER REQUIREMENTS:

TPSs are subject to the Third Party Supplier Requirements of this Tariff.

STANDARD TERMS AND CONDITIONS:

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 64
Original Sheet No. 65

RESERVED FOR FUTURE USE

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

**RATE SCHEDULE GSG
GENERAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm delivery service for general purposes where: 1) customer does not qualify for RSG and 2) customer's usage does not exceed 3,000 therms in any month. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

DELIVERY CHARGES:

Service Charge:

\$9.28 in each month [\$9.93 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges:

<u>Pre-July 14, 1997 *</u>		<u>All Others</u>		
<u>Charge</u>	<u>Charge Including SUT</u>	<u>Charge</u>	<u>Charge Including SUT</u>	
22.2848 ¢	23.8447 ¢	24.4140 ¢	26.1230 ¢	per therm

* Applicable to customers who have taken TPS supplied commodity service continuously since July 14, 1997.

Balancing Charge:

<u>Charge</u>	<u>Charge Including SUT</u>	
8.9679 ¢	9.5957 ¢	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Realignment Adjustment Charge:

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

Margin Adjustment Charge:

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

RGGI Recovery Charge:

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

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

Date of Issue: December 19, 2008

Effective: January 1, 2009

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

Filed pursuant to Order of Board of Public Utilities dated December 16, 2008
in Docket No. EO08060426

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

Customer Account Services Charge:

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

COMMODITY CHARGES:

A customer may choose to receive gas supply from either:

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

Third Party Supply:

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

Emergency Sales Service:

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

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

If a customer is receiving Emergency Sales Service and does not wish to designate a TPS for future deliveries or customer, for any reason, no longer desires to receive gas supply from a TPS, the customer may receive gas supply pursuant to Public Service's Basic Gas Supply Service-Firm.

The conditions under which Emergency Sales Service will apply are detailed in Section 14 - Third Party Supply Service Provisions of the Standard Terms and Conditions of this Tariff, and the charges for this service are defined on the Emergency Sales Service sheet of this Tariff.

Basic Gas Supply Service:

Customers that do not receive gas supply from a TPS will be supplied under the Basic Gas Supply Service Firm (BGSS-F) default service, which will be applied to all therms billed each month. Refer to the Basic Gas Supply Service – Firm sheet of this Tariff for the current charge for BGSS-F commodity charge.

OTHER CHARGES:

See Special Provisions (b), (e) and (i) below.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 68

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

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factors which appear on every bill.

Balancing Use Therms:

During each of the billing months of November through March, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Daily Contract Quantity:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated by Public Service for twelve (12) months by dividing customer's weather-normalized usage, adjusted for losses, for each of the most recent twelve (12) billing months by the total number of days in each billing month. Public Service may adjust customer's DCQ during the year, due to changes in customer's gas equipment or pattern of usage. For new customers, customer's initial DCQ will be estimated by Public Service, based upon the rating of the customer's gas equipment and expected utilization of the equipment. At the end of each billing period, Public Service will calculate the difference between customer's actual usage, adjusted for losses, and actual TPS supply for the billing period, taking into consideration any adjustments from prior months, and will adjust the DCQ for the second succeeding month by that difference divided by the total number of days in the month, provided that such adjustment will not decrease that month's adjusted DCQ to a level less than zero. Any such adjustment that would result in a particular month's DCQ being less than zero will be carried to a future month.

TERMS OF PAYMENT:

Bills are due on presentation subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 8.13 of the Standard Terms and Conditions. Service to a body politic will not be subject to a late payment charge.

TERM:

One year and thereafter until terminated by five days' notice.

Customers who transfer from third party supply to Basic Gas Supply Service may be subject to renewable one year terms. Refer to Section 14 of the Standard Terms and Conditions of this Tariff for additional limitations regarding the term of Basic Gas Supply Service.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

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

SPECIAL PROVISIONS APPLICABLE TO ALL CUSTOMERS:

- (a) Service under this rate schedule is not available for resale, except where service is for motor vehicle fuel supplied through compression equipment.
- (b) **Off-Peak Use:** This separately metered gas service is applicable for cooling or dehumidification when supplied through a separate meter. For all eligible customers the Distribution Charge for the therms used during the Off-Peak period shall be set equal to one-half (1/2) the above Distribution Charge.

The Off-Peak period shall commence and end with the regularly scheduled meter readings in the months of April and October, respectively.

- (c) Service supplied under this rate schedule shall be separately metered and shall not be combined with use under any other rate schedule for billing purposes. Customer shall not be eligible to receive service under this rate schedule and any other rate schedule for the same equipment or for equipment supplying a common steam header.
- (d) **Cogeneration Use:** Applicable to separately metered service for the sequential production of electrical energy and useful thermal energy from the same fuel source by a Qualifying Facility, as defined in Section 201 of the Public Utilities Regulatory Policies Act of 1978 whose cogeneration equipment meets the efficiency standards set forth in Chapter 18 of the Code of Federal Regulations, Sections 292.205 (a) and (b). Customer must document that qualifying status has been granted by the Federal Energy Regulatory Commission.

Service to a qualifying cogeneration facility as set forth above may be exempt from taxes as set forth in Section 15 of the Standard Terms and Conditions.

- (e) **Unmetered Service:** Unmetered service will be furnished, at the discretion of Public Service, for customer owned and installed gas lamps or other continuous burning devices. No other gas using devices shall be connected to this service. The customer shall provide, at his expense, all necessary equipment and piping after the gas Service Connection. Further, the customer may be required to furnish and install, at his own expense, a load-limiting device approved by Public Service, which shall be maintained by Public Service at customer's expense. Customer shall notify Public Service in writing as to changes in conditions or operation that may effect the gas consumption of the connected device(s). Public Service reserves the right to meter any and all such installations where customer does not comply with the requirements of this Special Provision.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 70

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

SPECIAL PROVISIONS APPLICABLE TO CUSTOMERS SELECTING THIRD PARTY SUPPLIERS FOR COMMODITY SERVICE:

- (f) Customers who desire to purchase their gas supply from a TPS may request an enrollment package from Public Service that describes the process necessary for the customer to obtain a TPS for gas supply. This package will be provided to the customer at no charge by Public Service.
- (g) The customer must contract with a TPS to arrange for deliveries to Public Service of the DCQ, and such TPS agrees to abide by the provisions of the Third Party Supplier Requirements. A customer is limited to one (1) TPS for gas for each account for which the customer receives delivery service.
- (h) The customer's TPS is required to notify Public Service of the customer's selection on or before the first business day of the month for deliveries to commence on the first scheduled meter reading date following the first calendar day of the following month, and such selection shall remain in effect for the billing period, subject to the conditions of Emergency Sales Service.
- (i) Upon customer return to BGSS, change in TPS or the cessation of delivery service, Public Service shall review the status of customer's imbalance between actual usage and actual TPS deliveries to the customer, less losses, and shall include such imbalances in that TPS's future delivery requirement.

STATE OF NEW JERSEY AUTHORIZED TAXES:

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

THIRD PARTY SUPPLIER REQUIREMENTS:

TPSs are subject to the Third Party Supplier Requirements of this Tariff.

STANDARD TERMS AND CONDITIONS:

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

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**Original Sheet No. 71
Original Sheet No. 72**

RESERVED FOR FUTURE USE

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

**RATE SCHEDULE LVG
LARGE VOLUME SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

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

DELIVERY CHARGES:

Service Charge:

\$85.88 in each month [\$91.89 including New Jersey Sales and Use Tax (SUT)].

Demand Charge (Applicable in the months of November through March):

<u>Charge</u>	<u>Charge Including SUT</u>	
\$3.2795	\$3.5091	per Demand Therm

Distribution Charges:

	<u>Per therm for the first 1,000 therms used in each month</u>		<u>Per therm in excess of 1,000 therms used in each month</u>	
	<u>Charges</u>	<u>Charges Including SUT</u>	<u>Charges</u>	<u>Charges Including SUT</u>
Pre-July 14, 1997 *	5.3325 ¢	5.7058 ¢	3.2017 ¢	3.4258 ¢
Post July 14, 1997	6.2467 ¢	6.6840 ¢	4.1159 ¢	4.4040 ¢

*Applicable to customers who have taken TPS supplied commodity service continuously since July 14, 1997.

Balancing Charge:

<u>Charge</u>	<u>Charge Including SUT</u>	
8.9679 ¢	9.5957 ¢	per Balancing Use Therm

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Date of Issue: January 23, 2007

Effective: January 18, 2007

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 January 17, 2007
in Docket No. GR06050409

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

Realignment Adjustment Charge:

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

Margin Adjustment Charge:

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

RGGI Recovery Charge:

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

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

Customer Account Services Charge:

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

COMMODITY CHARGES:

A customer may choose to receive gas supply from either:

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

Third Party Supply:

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

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

Emergency Sales Service:

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

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

If a customer is receiving Emergency Sales Service and does not wish to designate a TPS for future deliveries or customer, for any reason, no longer desires to receive gas supply from a TPS, the customer may receive gas supply pursuant to Public Service's Basic Gas Supply Service-Firm.

The conditions under which Emergency Sales Service will apply are detailed in Section 14 - Third Party Supply Service Provisions of the Standard Terms and Conditions of this Tariff, and the charges for this service are defined on the Emergency Sales Service sheet of this Tariff.

Basic Gas Supply Service:

Customers that do not receive gas supply from a TPS will be supplied under the Basic Gas Supply Service Firm (BGSS-F) default service, which will be applied to all therms billed each month. Refer to the Basic Gas Supply Service – Firm sheet of this Tariff for the current charge for BGSS-F commodity charge.

OTHER CHARGES:

See Special Provisions (f) and (i) below.

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factors which appear on every bill.

Demand Therms:

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

Balancing Use Therms:

During each of the billing months of November through March, if the average daily usage of gas in any month exceeds the average daily usage during the preceding billing months of June through September, the therms used in such month in excess of the product of the average daily usage in the preceding months of June through September times the number of days in the billing month shall be the Balancing Use Therms and subject to the Balancing Charge. For new customers and for customers who install additional gas burning equipment, the average daily usage in the preceding June through September time period to be used in the above calculation shall be estimated by Public Service.

Date of Issue: December 19, 2008

Effective: January 1, 2009

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

Filed pursuant to Order of Board of Public Utilities dated December 16, 2008
in Docket No. EO08060426

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

Daily Contract Quantity:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated by Public Service for twelve (12) months by dividing customer's weather-normalized usage, adjusted for losses, for each of the most recent twelve (12) billing months by the total number of days in each billing month. Public Service may adjust customer's DCQ during the year, due to changes in customer's gas equipment or pattern of usage. For new customers, customer's initial DCQ will be estimated by Public Service, based upon the rating of the customer's gas equipment and expected utilization of the equipment. At the end of each billing period, Public Service will calculate the difference between customer's actual usage, adjusted for losses, and actual TPS supply for the billing period, taking into consideration any adjustments from prior months, and will adjust the DCQ for the second succeeding month by that difference divided by the total number of days in the month, provided that such adjustment will not decrease that month's adjusted DCQ to a level less than zero. Any such adjustment that would result in a particular month's DCQ being less than zero will be carried to a future month.

TERMS OF PAYMENT:

Bills are due on presentation subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 8.13 of the Standard Terms and Conditions. Service to a body politic will not be subject to a late payment charge.

TERM:

One year and thereafter until terminated by five days' notice.

Customers who transfer from third party supply to Basic Gas Supply Service may be subject to renewable one year terms. Refer to Section 14 of the Standard Terms and Conditions of this Tariff for additional limitations regarding the term of Basic Gas Supply Service.

SPECIAL PROVISIONS APPLICABLE TO ALL CUSTOMERS:

- (a) Service under this rate schedule is not available for resale, except where service is for motor vehicle fuel supplied through compression equipment.
- (b) Service supplied under this rate schedule shall be separately metered and shall not be combined with use under any other rate schedule for billing purposes. Customer shall not be eligible to receive service under this rate schedule and any other rate schedule for the same equipment or for equipment supplying a common steam header during the term of the Service Agreement.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

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

- (c) Where Public Service is unable to read the meter on a regular basis, Public Service may require the installation of a remote meter reading device at the customer's expense.
- (d) **Cogeneration Use:** Applicable to separately metered service for the sequential production of electrical energy and useful thermal energy from the same fuel source by a Qualifying Facility, as defined in Section 201 of the Public Utilities Regulatory Policies Act of 1978 whose cogeneration equipment meets the efficiency standards set forth in Chapter 18 of the Code of Federal Regulations, Sections 292.205 (a) and (b). Customer must document that qualifying status has been granted by the Federal Energy Regulatory Commission.

Service to a qualifying cogeneration facility as set forth above may be exempt from taxes as set forth in Section 15 of the Standard Terms and Conditions.

SPECIAL PROVISIONS APPLICABLE TO CUSTOMERS SELECTING THIRD PARTY SUPPLIERS FOR COMMODITY SERVICE:

- (e) Customers who desire to purchase their gas supply from a TPS may request an enrollment package from Public Service that describes the process necessary for the customer to obtain a TPS for gas supply. This package will be provided to the customer at no charge by Public Service.
- (f) Upon request of the customer, Public Service will provide historical usage data and/or DCQ information to any number of TPSs at a rate of \$2.00 per page, billable to the customer.
- (g) The customer must contract with a TPS to arrange for deliveries to Public Service of the DCQ, and such TPS agrees to abide by the provisions of the Third Party Supplier Requirements. A customer is limited to one (1) TPS for gas for each account for which the customer receives delivery service.
- (h) The customer's TPS is required to notify Public Service of the customer's selection on or before the first business day of the month for deliveries to commence on the first scheduled meter reading date following the first calendar day of the following month, and such selection shall remain in effect for the billing period, subject to the conditions of Emergency Sales Service.
- (i) Upon customer return to BGSS, change in TPS or the cessation of delivery service, Public Service shall review the status of customer's imbalance between actual usage and actual TPS deliveries to the customer, less losses, and shall include such imbalances in that TPS's future delivery requirement.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 78

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

STATE OF NEW JERSEY AUTHORIZED TAXES:

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

THIRD PARTY SUPPLIER REQUIREMENTS:

TPSs are subject to the Third Party Supplier Requirements of this Tariff.

STANDARD TERMS AND CONDITIONS:

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

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**Original Sheet No. 79
Original Sheet No. 80**

RESERVED FOR FUTURE USE

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

**RATE SCHEDULE SLG
STREET LIGHTING SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Lamps, posts, maintenance, and firm delivery service for street lighting purposes. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

DELIVERY CHARGES:

Monthly Charge Per Unit (Includes lamp, post, maintenance and firm delivery service):

Lamps Installed Prior to January 1, 1993:

	<u>Charges</u>	<u>Charges Including SUT</u>
Single-mantle lamp	\$10.4975	\$11.2323
Double-mantle lamp.....	10.4975	11.2323
Triple-mantle lamp	10.4975	11.2323

Lamps Installed on or after January 1, 1993:

	<u>Charges</u>	<u>Charges Including SUT</u>
Triple-mantle lamp	\$61.1111	\$65.3889

Allowance for Lamp Outages:

The Monthly Charge per unit reflects an outage allowance based upon normal operating conditions. No further allowance will be made.

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Realignment Adjustment Charge:

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

Margin Adjustment Charge:

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

RGGI Recovery Charge:

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

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

Date of Issue: December 19, 2008

Effective: January 1, 2009

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

Filed pursuant to Order of Board of Public Utilities dated December 16, 2008
in Docket No. EO08060426

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

COMMODITY CHARGES:

A customer may choose to receive gas supply from either:

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

Third Party Supply:

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

Emergency Sales Service:

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

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

If a customer is receiving Emergency Sales Service and does not wish to designate a TPS for future deliveries or customer, for any reason, no longer desires to receive gas supply from a TPS, the customer may receive gas supply pursuant to Public Service's Basic Gas Supply Service-Firm.

The conditions under which Emergency Sales Service will apply are detailed in Section 14 - Third Party Supplier Service Provisions of the Standard Terms and Conditions of this Tariff, and the charges for this service are defined on the Emergency Sales Service sheet of this Tariff.

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

Basic Gas Supply Service:

Customers that do not receive gas supply from a TPS will be supplied under the Basic Gas Supply Service-Firm (BGSS-F) default service, which will be applied to all therms billed each month. Refer to the Basic Gas Supply Service – Firm sheet of this Tariff for the current charge for the BGSS-F commodity charge.

OTHER CHARGES:

See Special Provision (e) below.

BILLING DETERMINANTS:

Therms:

The number of therms used are shown below for each lamps type.

Single-mantle	0.69 therms per day
Double-mantle, inverted.....	0.77 therms per day
Double-mantle, upright.....	1.37 therms per day
Triple-mantle	0.77 therms per day

Daily Contract Quantity:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated by Public Service for twelve (12) months by multiplying the number of days in the billing month by the above listed daily usage values in therms, adjusted for losses, for each lamp type times the number of customer lamps. If the customer has multiple lamp types then the DCQ would be the sum from all lamp types calculated in the preceding manner. Public Service may adjust customer's DCQ during the year, due to changes in the number and types of customer's lamps.

TERMS OF PAYMENT:

Bills are due on presentation subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 8.13 of the Standard Terms and Conditions. Service to a body politic will not be subject to a late payment charge.

TERM:

Five years; written contract required.

Customers who transfer from third party supply to Basic Gas Supply Service may be subject to renewable one year terms. Refer to Section 14 of the Standard Terms and Conditions of this Tariff for additional limitations regarding the term of Basic Gas Supply Service.

SPECIAL PROVISIONS APPLICABLE TO ALL CUSTOMERS:

(a) Service under this rate schedule is not available for resale.

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

SPECIAL PROVISIONS APPLICABLE TO CUSTOMERS SELECTING THIRD PARTY SUPPLIERS FOR COMMODITY SERVICE:

- (b) Customers who desire to purchase their gas supply from a TPS may request an enrollment package from Public Service that describes the process necessary for the customer to obtain a TPS for gas supply. This package will be provided to the customer at no charge by Public Service.
- (c) The customer must contract with a TPS to arrange for deliveries to Public Service of the DCQ, and such TPS agrees to abide by the provisions of the Third Party Supplier Requirements. A customer is limited to one (1) TPS for gas for each account for which the customer receives delivery service.
- (d) The customer's TPS is required to notify Public Service of the customer's selection on or before the first business day of the month for deliveries to commence on the first scheduled meter reading date following the first calendar day of the following month, and such selection shall remain in effect for the billing period, subject to the conditions of Emergency Sales Service.
- (e) Upon customer return to BGSS, change in TPS or the cessation of delivery service, Public Service shall review the status of customer's imbalance between actual usage and actual TPS deliveries to the customer, less losses, and shall include such imbalances in that TPS's future delivery requirement.

STATE OF NEW JERSEY AUTHORIZED TAXES:

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

THIRD PARTY SUPPLIER REQUIREMENTS:

TPSs are subject to the Third Party Supplier Requirements of this Tariff.

STANDARD TERMS AND CONDITIONS:

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 85
Original Sheet No. 86

RESERVED FOR FUTURE USE

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

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

This rate schedule is limited to customers continuously taking service under this rate schedule since December 1, 1994, with the exception of any new customers for whom commitments by Public Service had been made prior to December 1, 1994.

APPLICABLE TO USE OF SERVICE FOR:

Firm delivery, subject to Public Service's available capacity to provide such service, where the maximum requirement for firm gas is not less than 150 therms per hour and where the customer's Third Party Supplier (TPS) and/or its agent has arranged for the delivery of gas supplies to interconnection points with Public Service's distribution system, from which Public Service may receive and physically transport and deliver the customer's purchased gas supply.

DELIVERY CHARGES:**Service Charge:**

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

Demand Charge (Applicable in the months of November through March):

<u>Charge</u>	<u>Charge Including SUT</u>	
\$1.6268	\$1.7407	per Demand Therm

Distribution Charges:

<u>Charge</u>	<u>Charge Including SUT</u>	
6.4289 ¢	6.8789 ¢	per therm

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

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Margin Adjustment Charge:

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

RGGI Recovery Charge:

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

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

Date of Issue: December 19, 2008

Effective: January 1, 2009

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

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated December 16, 2008
in Docket No. EO08060426

**RATE SCHEDULE TSG-F
FIRM TRANSPORTATION GAS SERVICE
(Continued)**

Customer Account Services Charge:

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

COMMODITY CHARGES:

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

Third Party Supply:

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

Emergency Sales Service:

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

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

The conditions under which Emergency Sales Service will apply are detailed in Section 14 - Third Party Supply Service Provisions of the Standard Terms and Conditions of this Tariff, and the charges for this service are defined on the Emergency Sales Service sheet of this Tariff.

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factors which appear on every bill. The conversion factor used for the "therm multiplier" shall be on the basis of the actual heating value of the gas used.

Demand Therms:

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 89

**RATE SCHEDULE TSG-F
FIRM TRANSPORTATION GAS SERVICE
(Continued)**

TERMS OF PAYMENT:

Bills are due on presentation subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 8.13 of the Standard Terms and Conditions. Service to a body politic will not be subject to a late payment charge.

TERM:

One year and thereafter until terminated by five days' notice.

SPECIAL PROVISIONS APPLICABLE TO ALL CUSTOMERS:

- (a) Customer will be restricted to the maximum annual, daily and hourly requirements, and the location and equipment specified in the service agreement. Upon request by customer, Public Service may deliver available volumes of gas supply, adjusted for losses, in excess of the maximum requirements, for limited periods. Such deliveries shall not be deemed to constitute a change in the requirements specified in the service agreement.
- (b) The customer must contract with a TPS to arrange for deliveries to Public Service of its daily usage, adjusted for losses, and such TPS agrees to abide by the provisions of the Third Party Supplier Requirements. A customer is limited to one (1) TPS for gas for each account for which the customer receives delivery service.

The customer's TPS is required to notify Public Service of the customer's selection prior to the last business day of the month for deliveries to commence on the first (1st) of the next month, and such selection shall remain in effect for the entire month, subject to the conditions of Emergency Sales Service. Customer can change TPSs effective only on the first day of the month.

Details for third party supply can be obtained by referring to Section 14 – Third Party Supplier Service Provisions of the Standard Terms and Conditions of this Tariff.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 90

**RATE SCHEDULE TSG-F
FIRM TRANSPORTATION GAS SERVICE
(Continued)**

- (c) Metering shall include a recording device, furnished by Public Service. Customer shall furnish an electrical supply for the operation of the recording device.
- (d) Service supplied under this rate schedule shall be separately metered and shall not be combined with use under any other rate schedule for billing purposes. Customer shall not be eligible to receive service under this rate schedule and any other rate schedule for the same equipment or for equipment supplying a common steam header.
- (e) Service under this rate schedule is not available for resale.
- (f) Cogeneration Use: Applicable to separately metered service for the sequential production of electrical energy and useful thermal energy from the same fuel source by a Qualifying Facility, as defined in Section 201 of the Public Utilities Regulatory Policies Act of 1978 whose cogeneration equipment meets the efficiency standards set forth in Chapter 18 of the Code of Federal Regulations, Sections 292.205(a) and (b). Customer must document that qualifying status has been granted by the Federal Energy Regulatory Commission.

Service to qualifying cogeneration facility as set forth above may be exempt from taxes as set forth in Section 15 of the Standard Terms and Conditions.

STATE OF NEW JERSEY AUTHORIZED TAXES:

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

THIRD PARTY SUPPLIER REQUIREMENTS:

TPSs are subject to the Third Party Supplier Requirements of this Tariff.

STANDARD TERMS AND CONDITIONS:

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

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**Original Sheet No. 91
Original Sheet No. 92**

RESERVED FOR FUTURE USE

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

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

APPLICABLE TO USE OF SERVICE FOR:

Interruptible delivery for general purposes where the maximum requirement for interruptible gas is not less than 150 therms per hour and where the customer has the installed capability to utilize an alternate type of fuel, except as provided for in Special Provision (a). Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

DELIVERY CHARGES:**Service Charge:**

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

Distribution Charges:

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

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

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

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

RGGI Recovery Charge:

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

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

Customer Account Services Charge:

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

COMMODITY CHARGES:

A customer may choose to receive gas supply from either:

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

Date of Issue: December 19, 2008

Effective: January 1, 2009

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

Filed pursuant to Order of Board of Public Utilities dated December 16, 2008
in Docket No. EO08060426

**RATE SCHEDULE TSG-NF
NON-FIRM TRANSPORTATION GAS SERVICE
(Continued)**

Third Party Supply:

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

Emergency Sales Service:

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

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

If a customer is receiving Emergency Sales Service and does not wish to designate a TPS for future deliveries or customer, for any reason, no longer desires to receive gas supply from a TPS, the customer may receive gas supply pursuant to Public Service's Basic Gas Supply Service.

The conditions under which Emergency Sales Service will apply are detailed in Section 14 - Third Party Supplier Service Provisions of the Standard Terms and Conditions of this Tariff, and the charges for this service are defined on the Emergency Sales Service sheet of this Tariff.

Basic Gas Supply Service:

Customers that do not receive gas supply from a TPS will be supplied under the Basic Gas Supply Service-Interruptible (BGSS-I) default service, which will be applied to all therms billed each month. Refer to the Basic Gas Supply Service – Interruptible sheet of this Tariff for the current charge for BGSS-I commodity charge.

OTHER CHARGES:

See Special Provisions (d) and (e).

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factors which appears on every bill. The conversion factor used for the "therm multiplier" shall be on the basis of the actual heating value of the gas used.

TERMS OF PAYMENT:

Bills are due on presentation subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 8.13 of the Standard Terms and Conditions. Service to a body politic will not be subject to a late payment charge.

**RATE SCHEDULE TSG-NF
NON-FIRM TRANSPORTATION GAS SERVICE
(Continued)**

TERM:

Unless otherwise agreed upon by customer and Public Service, one year from the commencement date specified in the service agreement required by Special Provision (a) and successive one-year periods thereafter. Service may be terminated by either customer or Public Service by providing no less than one month's notice prior to the expiration of the term.

SPECIAL PROVISIONS APPLICABLE TO ALL CUSTOMERS:

- (a) Customer will be required to sign a service agreement and service will be restricted to the maximum annual, daily, and hourly requirements, and the location and equipment specified. Upon request by customer, Public Service may deliver available volumes of gas supply, adjusted for losses, in excess of the maximum requirements, for limited periods. Such deliveries shall not be deemed to constitute a change in the requirements specified in the service agreement. Attached to the service agreement will be a signed affidavit, certifying the specific grade of fuel oil (or oils), or other alternate fuel, that can physically and legally be utilized by the installation being served. This affidavit shall be a prerequisite for receiving service under this rate schedule and shall be furnished by the customer each fall no later than November 1st. The affidavit shall include the percentage of operation which can physically and legally be served by each alternate fuel. The customer will submit, within 30 days of change in operations, a new affidavit to Public Service when such change affects its alternate fuel capability. Additionally, the Affidavit shall require customers using No. 2 Fuel Oil, No. 4 Fuel Oil, jet fuel, or kerosene to provide certification that they have, and will maintain, either seven days of alternate fuel available through on-site storage capacity or additional firm contractual supply to make-up for any storage deficiencies so as to be equal to a seven day supply. Customers providing certification that they will suspend operations during an interruption are exempt from the alternate fuel requirement. Public Service reserves the right to inspect the customer's operation as to alternate fuel capability.
- (b) Customers who were taking service under former Rate Schedule ISG Special Provision (b) on January 8, 2002 will be provided service under this rate schedule and are exempt from the minimum connected load requirement of 150 therms per hour.
- (c) Upon advance notice of eight hours or more, from any hour of any day given to customer by Public Service by telephone, telegram or otherwise, customer shall discontinue the use of gas until further notice; customer shall designate personnel who will accept such notification at any hour of any day.
- (d) If customer does not discontinue the use of gas after notification pursuant to Special Provision (c) customer shall be charged \$1.65 (\$1.77 including SUT) per therm for an amount not to exceed one hour's maximum requirement per day of interruption.

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

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

**RATE SCHEDULE TSG-NF
NON-FIRM TRANSPORTATION GAS SERVICE
(Continued)**

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

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

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

- (e) In Growth Areas, customer may be required to make a deposit toward the total cost of facilities which Public Service installed to provide service if gas equipment or applications were, in the prior five-year period, previously served under Rate Schedules RSG, GSG, LVG or TSG-F for the same customer. Such deposit will be determined as if such gas equipment or applications had been served under Rate Schedule TSG-NF for the entire period served under the above firm rates, utilizing the deposit calculations in existence at the time the customer began service.
- (f) Metering shall include a recording device, furnished by Public Service. Customer shall furnish an electrical supply for the operation of the recording device.
- (g) Service supplied under this rate schedule shall be separately metered and shall not be combined with use under any other rate schedule for billing purposes. Customer shall not be eligible to receive service under this rate schedule and any other rate schedule for the same equipment or for equipment supplying a common steam header.
- (h) Except as provided in Special Provision (a) customer has installed and maintains complete and adequate standby equipment and fuel supply for operation with another fuel when the gas supply is interrupted.
- (i) Customers with a maximum requirement of 7,500 therms per hour or greater shall designate personnel physically located at the customer's facility having operational control of the gas usage at that facility who can be directly contacted by telephone or other electronic means at any hour of any day by Public Service. If the customer obtains gas supply from a TPS, these personnel shall be responsible for coordinating the balancing of customer's gas consumption and deliveries by the customer's TPS and shall be the only party that Public Service contacts for all operational coordination requirements including those during periods of suspension or limitation and critical periods as detailed in Sections 6.3.2 and 6.3.3 of the Third Party Supplier Requirements of this tariff. If the customer obtains gas supply from Public Service under BGSS-I default service, Public Service may establish similar operational coordination requirements.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

**RATE SCHEDULE TSG-NF
NON-FIRM TRANSPORTATION GAS SERVICE
(Continued)**

- (j) Service under this rate schedule is not available for resale.
- (k) Cogeneration Use: Applicable to separately metered service for the sequential production of electrical energy and useful thermal energy from the same fuel source by a Qualifying Facility, as defined in Section 201 of the Public Utilities Regulatory Policies Act of 1978 whose cogeneration equipment meets the efficiency standards set forth in Chapter 18 of the Code of Federal Regulations, Sections 292.205 (a) and (b). Customer must document that qualifying status has been granted by the Federal Energy Regulatory Commission.

Service to a qualifying cogeneration facility as set forth above may be exempt from taxes as set forth in Section 15 of the Standard Terms and Conditions.

SPECIAL PROVISIONS APPLICABLE TO CUSTOMERS SELECTING THIRD PARTY SUPPLIERS FOR COMMODITY SERVICE:

- (l) The customer must contract with a TPS to arrange for deliveries to Public Service of their daily usage, adjusted for losses, and such TPS agrees to abide by the provisions of the Third Party Supplier Requirements. A customer is limited to one (1) TPS for gas for each account for which the customer receives delivery service.
- (m) The customer's TPS is required to notify Public Service of the customer's selection prior to the last business day of the month for deliveries to commence on the first (1st) of the next month, and such selection shall remain in effect for the entire month, subject to the conditions of Emergency Sales Service. Customer can change TPSs effective only on the first day of the month.

STATE OF NEW JERSEY AUTHORIZED TAXES:

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

THIRD PARTY SUPPLIER REQUIREMENTS:

TPSs are subject to the Third Party Supplier Requirements of this Tariff.

STANDARD TERMS AND CONDITIONS:

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

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

**Original Sheet No. 98
Original Sheet No. 99
Original Sheet No. 100**

RESERVED FOR FUTURE USE

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

**RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE**

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

APPLICABLE TO USE OF SERVICE FOR:

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

DELIVERY CHARGES:

Service Charge:

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

Distribution Charges:

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

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

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

RGGI Recovery Charge:

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

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

Customer Account Services Charge:

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

COMMODITY CHARGES:

Customers taking service under this rate schedule are required to receive their commodity service

Date of Issue: December 19, 2008

Effective: January 1, 2009

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

Filed pursuant to Order of Board of Public Utilities dated December 16, 2008
in Docket No. EO08060426

**RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE**

(Continued)

from Public Service. Refer to the BGSS-CIG Commodity Charge sheet of this Tariff for the current charge.

Other Charges:

See Special Provisions (c) and (n).

BILLING DETERMINANTS:

Therms:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the conversion factors which appear on every bill. The conversion factor used for the "therm multiplier" shall be on the basis of the actual heating value of the gas used.

TERMS OF PAYMENT:

Bills are due on presentation subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 8.13 of the Standard Terms and Conditions. Service to a body politic will not be subject to a late payment charge.

TERM:

One year and thereafter until terminated by five days' notice.

SPECIAL PROVISIONS APPLICABLE TO ALL CUSTOMERS:

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

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

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

Date of Issue: December 19, 2008

Effective: January 1, 2009

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

Filed pursuant to Order of Board of Public Utilities dated December 16, 2008
in Docket No. EO08060426

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

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

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

- (d) Metering shall include a recording device, furnished by Public Service. Customer shall furnish an electrical supply for the operation of the recording device.
- (e) Service supplied under this rate schedule shall be separately metered and shall not be combined with use under any other rate schedule for billing purposes.
- (f) Service will not be supplied under this rate schedule and any other gas rate schedule for the same process or operation at the same location except as specified under Special Provision (i).
- (g) Public Service agrees that service under this rate schedule will not be interrupted unless service to the TSG-NF customers receiving BGSS-I default service has already been interrupted.
- (h) Gas supplied under this rate schedule is limited to a quantity equal to the lesser of either 0.150 therms for each net kilowatt-hour of cogenerated electric generation fueled by gas or the quantity of gas actually consumed by the cogeneration facility when operated in a cogeneration mode as determined by Public Service. Net cogenerated electric generation is defined as generation output less energy used to run the cogeneration facility's auxiliary equipment. Auxiliary equipment includes, but it is not limited to, forced and induced draft fans, boiler feed pumps and lubricating oil systems.
- (i) Gas supplied in excess of the quantity described in Special Provision (h) will be billed under an applicable rate schedule as determined by Public Service except as specified under Special Provision (c).
- (j) Net cogenerated electric generation fueled by natural gas will be determined each month as follows:
 - (j-1) For facilities which burn two or more fuels simultaneously for cogeneration, net cogenerated electric generation will be allocated between such fuels on the Btu input of each fuel.
 - (j-2) For facilities which change fuel usage between gas and an alternate fuel for cogeneration, net cogenerated electrical generation fueled by gas will be based on meter readings taken by the customer at the time the fuel change occurs or the portion of the allocated amount determined in Special Provision (h) prorated by the number of hours or days that the customer used gas.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845

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

- (k) Public Service, at its sole discretion, may utilize readings from customer or Company-owned meters to determine the quantity of gas to which this rate schedule is applicable in lieu of the allocation specified in Special Provision (j-1). The customer shall make available, and Public Service shall have the right to read, inspect and/or test such customer-owned meters during normal working hours. Additional gas, electric and/or useful thermal output meters required to determine the amount of gas to which this rate schedule is applicable will be installed, owned and operated by Public Service. However, Public Service may, at its sole option, use calculated or estimated data to determine such gas usage.
- (l) Customer is required to file a monthly report to Public Service containing the total amount of kilowatt-hours produced by the cogeneration facility.
- (m) Service under this rate schedule is not available for resale.
- (n) **Extended Gas Service:** Gas service under this Special Provision is limited to customers having an executed service agreement for this Special Provision. Customer's executed service agreement must be received by Public Service no later than November 15th for service to be provided for the upcoming winter season. Approval of the customer's request will be provided on a case by case basis so as not to adversely impact Public Service's distribution system. When service under this Rate Schedule is interrupted, service under this Special Provision will be supplied at Public Service's option. When Extended Gas Service is offered by Public Service, the following provisions shall apply:
 - (n-1) In lieu of the Therm Charge hereinbefore set forth, the following charges shall apply: 1) a Special Delivery Charge which, based upon the marketability of this gas, would fall between a floor price of 10.0 cents (10.7 cents including SUT) per therm and a ceiling price of 18.0 cents (19.3 cents including SUT) per therm for each therm of Extended Gas Service supplied to the customer; and 2) a Commodity Charge which shall be the actual delivered price of propane to Public Service's BGSS supplier(s) or the highest cost gas purchased or used by Public Service's BGSS supplier(s) when service under this Special Provision is offered, whichever is the incremental gas source.
 - (n-2) A service agreement for this Extended Gas Service shall be executed for each winter season and shall include the customer's maximum daily requirements under this Special Provision and a prepayment equal to four days of the Special Delivery Charge at a rate of 15.0 cents (16.1 cents including SUT) per therm at the customer's maximum daily requirement. Use of gas above the maximum daily requirement, on any day for which Public Service has offered and the customer has requested Extended Gas Service, will be subject to the penalty as stated in Special Provision (c). Such prepayment shall be non-refundable unless and to the extent that Public Service does not offer customer such Extended Gas Service for at least 96 hours, during the winter season. If Public Service, offers such service for less than 96 hours, the refund shall be made on a prorated basis. In addition to such prepayment, a non-refundable application charge of \$800.00 (\$856.00 including SUT) shall be paid by each customer.

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

- (n-3) Customer will be notified of the Extended Gas Therm Charge at least eight hours prior to the availability of this service, or prior to a change in the Extended Gas Therm Charge, by facsimile machine. Following receipt of Public Service's notice, the customer will have two hours within which to facsimile to Public Service his acceptance of the Extended Gas Therm Charge for the service. If customer does not accept this service, customer must discontinue the use of gas at the time designated by Public Service, which time shall not be less than eight hours after Public Service's notice to Customer of the availability and the Therm Charge of the Extended Gas Service. Any gas usage by customer following the time designated by Public Service shall be subject to the penalty as stated in Special Provision (c).

STATE OF NEW JERSEY AUTHORIZED TAXES:

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

STANDARD TERMS AND CONDITIONS:

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

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in Docket No. GR05100845

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 106

RESERVED FOR FUTURE USE

Date of Issue: December 6, 2006 Effective: November 9, 2006
Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
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THIRD PARTY SUPPLIER REQUIREMENTS

1. GENERAL

A Third Party Supplier (TPS) of natural gas is an entity that has contracted with customers of Public Service to deliver supplies of natural gas to interconnection points with Public Service's distribution system, or is a customer who is self-supplying and acting as a TPS on their own behalf in purchasing and transporting natural gas to interconnection points with Public Service's distribution system, from which Public Service may receive and physically transport and deliver on a firm basis these gas supplies to the customer pursuant to Rate Schedules RSG, SLG, GSG, LVG, or TSG-F and on an interruptible basis to customers pursuant to Rate Schedules TSG-NF. In order for an entity to qualify as a TPS it must execute an Application for Service and satisfy Public Service's credit requirements as noted herein. In order for a customer to qualify to self-supply, the Public Service customer of record for gas delivery service must be served at Rate Schedule TSG-NF and must be the same corporate entity that is purchasing and transporting the natural gas to interconnection points with Public Service's distribution system. TPSs, other than qualifying self-supplying customers, must be licensed by the Board of Public Utilities (Board).

A TPS must successfully complete all Electronic Data Interchange testing in order to enroll new customers that receive service under Rate Schedules RSG, GSG, LVG and SLG.

TPSs agree to abide by the Board's regulations and with N.J.A.C. 14:4 *et seq.*, *Energy Competition Standards*, including but not limited to Subchapter 3 *Interim Retail Choice Consumer Protection Standards*. Public Service is not responsible for the administration or the enforcement of either of the aforementioned regulations or Code.

2. CUSTOMER CONFIRMATION

By the twentieth (20th) of each month, for service to RSG, SLG, GSG, or LVG which is to commence on the first (1st) of the next calendar month, Public Service will provide to each TPS by electronic or other means, as specified by Public Service, a list which includes: (1) those customers who have requested to be served by that particular TPS and have represented that they have a contractual relationship with that TPS, including their required Daily Contract Quantity (DCQ), expressed in therms; (2) former customers' applicable imbalances, expressed in therms; and (3) the TPS's Aggregate Daily Contract Quantity (ADCQ), adjusted for losses, expressed in dekatherms, equal to the sum of the DCQ's of each of the customers of that TPS. TPS will be required to notify Public Service by electronic or other means, as specified by Public Service, by the twentieth (20th) of the month as to any corrections or changes to their list of customers, otherwise the list will be assumed to be accurate. Public Service will only amend the list of customers and their respective DCQ's in accordance with the above procedures prior to the next month if a good faith dispute arises concerning the respective TPS's list.

Public Service will provide to each TPS by electronic or other means, as specified by Public Service, a list which includes those TSG-F and TSG-NF customers who have requested to be served by that particular TPS and have represented that they have a contractual relationship with that TPS.

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**THIRD PARTY SUPPLIER REQUIREMENTS
(Continued)**

3. DELIVERY

- 3.1 General:** Subject to the Force Majeure provisions in Section 7, TPS must deliver to Public Service on each day of the month at points specified on Public Service's distribution system, which points are operationally acceptable to Public Service in its sole discretion, the ADCQ for its RSG, SLG, GSG, and LVG customers and the daily or, under certain circumstances, the hourly usage of its TSG-F and TSG-NF customers, adjusted for losses (hereinafter collectively referred to as "usage"). Failure to comply with this provision shall subject TPS to the cashout pursuant to Sections 6.1, 6.2, and/or 6.3.
- 3.2 Warranty of Title:** TPS warrants that, at the time of delivery of gas to Public Service, it will have good title to deliver all gas volumes made available.
- 3.3 Delivery Control and Possession:** After TPS delivers gas or causes gas to be delivered to Public Service at Public Service's point of interconnection with the applicable interstate pipeline, Public Service will be deemed to be in control and possession of the gas until an equivalent amount of gas, less losses, is delivered to customer at customer's Public Service meter.
- 3.4 Delivery Liability:** Public Service shall in no way be liable for any errors in the calculation of the DCQ or ADCQ, nor be responsible for any additional gas costs incurred by TPS due to any error in the calculation of the DCQ or ADCQ.
- 3.5 Delivery Allocation:** On each day deliveries of gas by TPS to Public Service shall be first allocated to TPS's ADCQ on such day and any remaining volume shall be allocated to TPS's TSG-F and TSG-NF customers.

4. NOMINATION PROCEDURES

- 4.1 General:** By July 1 of each year, Public Service will provide TPS(s) notice of the allocation of receipt capacity by pipeline that it expects to have available for all deliveries by TPS(s) at its city gate interconnections, based on existing contractual commitments, for the twelve (12) month period beginning the following November 1. Each TPS(s) will be allocated the receipt capacity based on the total expected firm and interruptible load versus the amount of available receipt capacity.

TPS will be credited for deliveries to Public Service on each day in accordance with the final daily volume confirmations of the interstate pipelines designated by TPS pursuant to this Sub-section.

- 4.2 TPS Nomination Requirements for Customers with a Maximum Requirement of Less Than 7,500 Therms Per Hour:** TPS will be required to nominate to Public Service by electronic or other means, as specified by Public Service, the total volume it intends to deliver to Public Service for subsequent delivery, along with the interstate pipelines it intends to utilize for this delivery and any additional information required by Public Service to fully identify such deliveries. TPS shall nominate to Public Service by 2:30 p.m. Eastern Time prior to the day gas is scheduled to flow. Public Service will not be obligated to accept gas which has not been nominated in accordance with this Section.

**THIRD PARTY SUPPLIER REQUIREMENTS
(Continued)**

Public Service will accept deliveries of gas for customers on the interstate pipelines of Transco or Texas Eastern. However, due to delivery limitations, Public Service reserves the right to require a reasonable apportionment of deliveries between Transco and Texas Eastern.

- 4.3. TPS Nomination Requirements for Customers with a Maximum Requirement of 7,500 Therms Per Hour and Greater:** TPS will be required to nominate to Public Service using Public Service's electronic bulletin board, at least 24 hours prior to the start of each day, the total volume it intends to deliver to Public Service for subsequent delivery the next day for each customer with a maximum requirement of 7,500 therms per hour and greater. Such daily nomination may be changed by the TPS at any time up to and during the day for which the daily nomination is applicable by notification to Public Service. Public Service reserves the right to limit any revision to such daily nomination and shall not be obligated to accept any changes greater than one twenty-fourth (1/24) of the customer's maximum daily usage requirements multiplied by the number of hours remaining for the day. In any event, Public Service may refuse any revision in the nomination made during the day of delivery if, in its sole opinion, such revision is not related to the customer balancing its supplies and usage for the day.

Public Service will, for each customer provided delivery service, specify the interstate pipeline upon which deliveries of gas by a TPS shall be delivered. Normally this will be the interstate pipeline that is in the closest proximity to each customer.

5. CREDIT REQUIREMENTS

- 5.1. General:** Public Service's acceptance of a request for service under these Third Party Supplier Requirements is contingent upon TPS satisfying a credit appraisal by Public Service. Based on consistent financial evaluation standards, each TPS may be granted, on a non-discriminatory basis, an Unsecured Credit Limit. Public Service shall perform such evaluations no less frequently than once every twelve (12) months.

If required, a TPS may provide one of the following additional credit assurances: (1) an advance cash deposit; (2) a standby irrevocable letter of credit; or (3) a guarantee, acceptable to Public Service, by a parent Guarantor which satisfies the credit requirements. The total of the amounts offered by these instruments and, if applicable, the Unsecured Credit Limit, is defined as Security.

- 5.2. Credit Amount:** The total Security at all times must be of an amount not less than the product of the TPS's Daily Requirements, expressed in dekatherms, and \$70.00, plus the amount of balancing cashout obligations outstanding to Public Service, whether billed or not billed, such total amount rounded down to the next lower multiple of \$15,000. Daily Requirements is defined as the sum of the TPS's maximum month ADCQs for RSG, SLG, GSG and LVG customers and the total of the maximum month average daily usage for TSG-F and TSG-NF customers, as stated in their respective service agreements. At any time, the maximum month's value shall be the greatest total ADCQ or average daily usage, as applicable, in the prior 12 month period (otherwise known as a rolling 12 month period).

Date of Issue: December 6, 2006

Effective: November 9, 2006

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**THIRD PARTY SUPPLIER REQUIREMENTS
(Continued)**

If, at any point in time, the TPS's Daily Requirements decreases, TPS has the option to reduce the level of the Security to the product of the new Daily Requirements and \$70.00, after all the outstanding obligations payable to Public Service are satisfied.

In all cases, any required increase in the level of Security must be satisfied within two (2) business days after receipt of the Public Service notice for additional Security requirements to continue service. If such Security is not posted in accordance with the foregoing, then Public Service is not required to continue service.

5.3. Interest: Interest, on cash deposited with Public Service as Security, will be the lower of the average Federal Funds Effective Rate (as published daily on the Federal Reserve website) for the period of time the funds are on deposit or six (6) percent. Cash deposits shall cease to bear interest upon discontinuance of service by the TPS or, if earlier, when Public Service closes the account. When the executed service agreement is terminated or when a portion of the cash deposit is returned to the TPS, such cash deposits will be returned with accrued interest upon payment or deduction of all charges and other debts that the TPS might owe Public Service.

5.4. Failure to Deliver for Customers on Rate Schedules RSG, SLG, GSG, and LVG: In the event that, for a particular TPS, at any time, the sum of the cumulative imbalances, for non Force Majeure reasons, which Public Service has not yet received payment are underdeliveries that exceed three (3) times the ADCQ, Public Service will immediately notify the TPS via telephone, facsimile, or similar means. If such underdeliveries reach five (5) times the ADCQ, the following will occur: (1) the TPS is no longer eligible for these Third Party Supplier Requirements unless and until the conditions below are satisfied, but not before the first (1st) day of the following month; and (2) for the balance of the current month, the affected TPS's customers will be supplied natural gas by Public Service and will be billed for Emergency Sales Service pursuant to their rate schedules for their DCQ times the number of days remaining in the current month. Such customers will continue to be charged the Emergency Sales Service rate until TPS service commences from an eligible TPS pursuant to Section 14.3 of the Standard Terms and Conditions or from BGSS default service pursuant to Section 14.5 of the Standard Terms and Conditions.

In order to be reinstated as an eligible TPS following an occurrence of an under-delivery event as described above, the former TPS, in addition to meeting all other applicable tariff requirements must post and maintain for a one (1) year period Security in an amount equal to two (2) times that otherwise required pursuant to Section 5.2 of these Third Party Supplier Requirements. At the conclusion of that year and assuming no additional occurrence of an under-delivery event as described above, TPS's requirement regarding maintenance of the Security will be returned to that described in Section 5.2. If an additional under-delivery event as described above occurs during that year period, the TPS will be ineligible for these Third Party Supplier Requirements for an additional one (1) year period.

**THIRD PARTY SUPPLIER REQUIREMENTS
(Continued)**

- 5.5. Failure to Deliver for Customers on Rate Schedules TSG-F and TSG-NF:** In the event that, for a particular TPS, at any time, the amount of obligations outstanding to Public Service, whether billed or not billed, exceed 70% of the current level of Security, Public Service will immediately notify the TPS via telephone, facsimile, or similar means.

At this time the TPS will be given the option to increase the total amount of Security held by Public Service to the required amount as described in Section 5.2 of these TPS Requirements within two (2) business days or to provide immediate payment on outstanding amounts, whether billed or not billed, due to Public Service.

At such time the amount of obligations outstanding to Public Service, whether billed or not billed, exceed 100% of the current level of Security, the TPS is no longer eligible under these Third Party Supplier Requirements unless and until the conditions below are satisfied, but not before the first (1st) day of the following month. The affected TPS's customers eligible for Emergency Sales Service will be supplied natural gas by Public Service for their usage for the remainder of the month. Such customers will continue to be charged the Emergency Sales Service rate until TPS service commences from an eligible TPS or from BGSS default service. Delivery service to customers not eligible for Emergency Sales Service will be ceased until such customers arrange for gas supplies from an eligible TPS.

In order to be reinstated as an eligible TPS following an occurrence of event as described above, the former TPS, in addition to meeting all other applicable tariff requirements must post and maintain for a one (1) year period Security in an amount equal to two (2) times that otherwise required pursuant to Section 5.2 of these Third Party Supplier Requirements. At the conclusion of that year and assuming no additional occurrence of an event in which outstanding obligations, whether billed or not billed, exceed Security as described above, TPS's requirement regarding maintenance of the Security will be returned to that described in Section 5.2. If an additional event in which outstanding obligations, whether billed or not billed, exceed Security as described above occurs during that year period, the TPS will be ineligible under these Third Party Supplier Requirements for an additional one (1) year period.

6. IMBALANCE CASHOUT PROCEDURES

- 6.1. TPS Imbalance Cashout for Customers on Rate Schedules RSG, SLG, GSG, and LVG:** On any day that TPS delivers a volume other than the aggregate of the ADCQs, of its RSG, SLG, GSG and LVG customers, the TPS will be subject to a daily cashout as follows:

- 6.1.1. Overdeliveries:** For any overdeliveries on any day, the TPS will be cashed out at a rate equal to Public Service's BGSS supplier(s)'s weighted average pipeline transportation cost including fuel, calculated at 100% load factor (WATC), plus a gas cost equal to 90% of the lower of the postings for the day of overdelivery for the Texas Eastern East Louisiana Zone or the Transco Zone 3, as published in Inside *F.E.R.C.'s Gas Market Report* on the table, "Prices of Spot Gas Delivered to Pipeline". Public Service at its sole discretion may refuse to accept any overdeliveries from a TPS. If TPS overdelivers gas at any time, the cashout volume will be treated as a purchase of gas supply by Public Service.

**THIRD PARTY SUPPLIER REQUIREMENTS
(Continued)**

- 6.1.2. Underdeliveries:** For any underdeliveries on any day up to and including five (5) percent of the ADCQ, the TPS will be cashed out at a rate equal to Public Service's BGSS supplier(s)'s weighted average pipeline transportation cost including fuel, calculated at 100% load factor (WATC), plus a gas cost equal to 110% of the higher of the postings for the day of underdelivery for the Texas Eastern East Louisiana Zone or the Transco Zone 3 as published in Inside *F.E.R.C.'s Gas Market Report* on the table, "Prices of Spot Gas Delivered to Pipeline". For any underdeliveries by an eligible TPS greater than five (5) percent of the ADCQ on any day other than on days during a Critical Period as defined below, the TPS will pay a charge per dekatherm at a rate of two times a daily price index. This daily price index is the highest price of the daily ranges for delivery in Transco Zone 6, New York, or Texas Eastern Zone M-3 which are published in Platt's *Gas Daily* on the table, "Daily Price Survey."

Upon no less than eight (8) hours notice, Public Service may on any days that it determines that its gas supply condition is critical, declare such days to be a "Critical Period." For any underdeliveries by an eligible TPS greater than five (5) percent of the ADCQ during a Critical Period, the TPS will pay a charge per dekatherm at a rate equal to ten times the above daily price index. This resulting price index shall not be lower than the maximum penalty charge for unauthorized daily overruns as provided for in the FERC-approved gas tariffs of the interstate pipelines which deliver gas into New Jersey. In addition, Public Service has the right to recover proportionately from undelivered TPSs any penalties or other charges or damages assessed on Public Service as a result of any underdeliveries by eligible TPSs.

- 6.2. TPS Imbalance Cashout for Customers with a Maximum Requirement of Less Than 7,500 Therms Per Hour on Rate Schedules TSG-F and TSG-NF:** TPS is responsible to deliver gas to Public Service for their applicable customers at the same daily rate that the aggregate of their applicable customers are utilizing gas. The Daily Cashout Price for over- or underdeliveries by a TPS for any day will be the average of the "Midpoint" values stated in the "Citygates" section of the Daily Price Survey of Platt's *Gas Daily* for Texas Eastern M-3 and Transco Zone 6 New York for that day. Under any circumstance, Public Service has the right to recover proportionately from undelivered TPSs any penalties or other charges or damages assessed on Public Service as a result of any underdeliveries by eligible TPSs.

Public Service, in its sole discretion, may refuse to accept any deliveries of gas which it determines to be excess to a TPS's customers' daily usage.

- 6.2.1. Normal Daily Balancing:** Any daily underdelivery of gas that is less than or equal to 15% of the customers' actual daily use or an overdelivery of gas less than or equal to 5% of the customers' actual daily use shall be cashed out by Public Service at the Daily Cashout Price. Any daily overdelivery of gas greater than 5% of the customers' actual daily use will be cashed out by Public Service at 80% of the Daily Cashout Price. Any daily underdelivery that is greater than 15% but less than or equal to 25% of the customers' actual usage shall be cashed out at 120% of the Daily Cashout Price. Any daily underdelivery that is greater than 25% of the customers' actual usage shall be cashed out at twice the Daily Cashout Price.

**THIRD PARTY SUPPLIER REQUIREMENTS
(Continued)**

6.2.2. Balancing During Critical Periods: Upon no less than eight hours notice to the TPS, Public Service may on any day that it determines that its gas supply condition is critical, declare such days to be a "Critical Period. During such a Critical Period all underdeliveries by the TPS will be cashed out at ten times the Daily Cashout Price. This price for underdeliveries shall not be lower than the maximum penalty charge for unauthorized daily overruns as provided for in the FERC-approved gas tariffs of the interstate pipelines which deliver gas into New Jersey.

6.3. TPS Imbalance Cashout for Customers with a Maximum Requirement of 7,500 Therms Per Hour and Greater on Rate Schedules TSG-F and TSG-NF: TPS is responsible to deliver gas to Public Service for each of their applicable customers at the same daily rate each customer is utilizing gas. All balancing and cashout calculations shall be performed separately for each applicable customer. The basis for the Daily Cashout Price for over- or underdeliveries by a TPS will be the "Midpoint" value for Texas Eastern M-3 or Transco Zone 6 New York, as applicable, based upon the interstate pipeline used by the TPS, as published in Platt's *Gas Daily* on the table "Daily Price Survey". Under any circumstance, Public Service has the right to recover proportionately from undelivered TPSs any penalties or other charges or damages assessed on Public Service as a result of any underdeliveries by eligible TPSs.

Public Service, in its sole discretion, may refuse to accept any deliveries of gas which it determines to be excess to a TPS's customers' daily usage.

6.3.1. Normal Daily Balancing: Any daily underdelivery of gas that is less than or equal to 15% of each customer's actual daily use or an overdelivery of gas less than or equal to 5% of each customer's actual daily use shall be cashed out by Public Service at the Daily Cashout Price. Any daily overdelivery of gas greater than 5% of each customer's actual daily use will be cashed out by Public Service at 80% of the Daily Cashout Price. Any daily underdelivery that is greater than 15% but less than or equal to 25% of each customer's actual usage shall be cashed out at 120% of the Daily Cashout Price. Any daily underdelivery that is greater than 25% of each customer's actual usage shall be cashed out at twice the Daily Cashout Price.

6.3.2. Balancing During Periods of Suspension or Limitation: If at any time any customer is consuming gas at a rate other than a uniform hourly rate, and Public Service determines that in its sole judgment that the integrity of all or a portion of its gas distribution system is being jeopardized because of such action, or the interstate pipeline upon which such gas is being delivered to Public Service enforces uniform hourly take restrictions, Public Service may limit the total amount of gas delivered to a TPS's customer to the same hourly rate at which the TPS is delivering gas to the Public Service gas system.

Public Service will provide the TPS two hours notice that it intends to suspend or limit deliveries of gas to one or more customers, except in the case of an emergency on the Public Service gas distribution system or when the interstate pipeline enforces uniform hourly take provisions, in which case the TPS shall be notified as soon as practicable. Such notice from Public Service shall indicate the action Public Service intends to take with respect to suspending or limiting deliveries to a customer, the estimated time period of such suspension or limitation, and the time when such suspension or limitation shall go into effect.

**THIRD PARTY SUPPLIER REQUIREMENTS
(Continued)**

If, during such a period of suspension or limitation of service, the TPS delivers a quantity of gas that is inconsistent with such suspension or limitation, then all underdeliveries by the TPS will be cashed out at five times the Daily Cashout Price.

- 6.3.3. Balancing During Critical Periods:** Upon no less than eight hours notice to the TPS, Public Service may on any day that it determines that its gas supply condition is critical, declare such days to be a "Critical Period. During such a Critical Period all underdeliveries by the TPS will be cashed out at ten times the Daily Cashout Price. This price for underdeliveries shall not be lower than the maximum penalty charge for unauthorized daily overruns as provided for in the FERC-approved gas tariffs of the interstate pipelines which deliver gas into New Jersey.
- 6.3.4. Designated Personnel:** The customer's designated personnel having operational control of the gas usage at that facility shall be responsible for coordinating the balancing of customer's gas consumption and deliveries by the customer's TPS. Such personnel shall be the only party that Public Service contacts for all operational coordination requirements, including those during periods of Suspension or Limitation and Critical Periods as detailed in Sections 6.3.2 and 6.3.3.
- 6.4. Cashout Billing and Payment:** Public Service will bill TPS any cashout costs and these charges are due within ten (10) days of the date of Public Service's invoice. Such bills will be subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 8.13 of the Standard Terms and Conditions.

Notwithstanding the above, Public Service maintains the right to suspend transportation deliveries to any customer under Rate Schedules RSG, SLG, GSG, LVG, TSG-F and TSG-NF if in Public Service's sole opinion a TPS is not able to meet the delivery requirements as specified herein.

7. FORCE MAJEURE

TPS will be excused from delivering the required ADCQ on any given day for Force Majeure events which directly and substantially affect TPS's natural gas deliveries to Public Service. For purposes of these Third Party Supplier Requirements, a Force Majeure event will be any failure of the final pipeline delivering gas to Public Service or an upstream pipeline feeding such pipeline, with failure having been classified as a Force Majeure event pursuant to the terms of that pipeline's FERC approved tariff. A legitimate Force Majeure event that curtails TPS's firm transportation service on an upstream pipeline that ultimately feeds a downstream pipeline, which directly and substantially affects a TPS's natural gas deliveries to Public Service, will excuse a TPS from performing pursuant to Sections 6.1, 6.2 and 6.3 of these Third Party Supplier Requirements to the extent of such curtailment. If at such time the TPS is delivering gas to customers on other systems, the volume excused from performance on Public Service's system will be no more than a proportionate amount of the affected deliveries curtailed by the Force Majeure event. The TPS is responsible for supplying complete information and verifiable proof of all the particulars requested by Public Service related to any such Force Majeure exclusion. The TPS must have a firm, non interruptible service with the affected pipeline that is covered by the Force Majeure event and must be willing to present such agreements to Public Service.

8. STANDARD TERMS AND CONDITIONS:

These Third Party Supplier Requirements are subject to the Standard Terms and Conditions of this Tariff, as applicable.

Date of Issue: December 6, 2006

Effective: November 9, 2006

Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel

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Filed pursuant to Order of Board of Public Utilities dated November 9, 2006
in Docket No. GR05100845