

STANDARD TERMS AND CONDITIONS

(continued)

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 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 "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 has 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 cost for such gas service, based upon 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 but not the cost of investigation.

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80 Park Plaza, Newark, New Jersey 07101

Filed pursuant to Order of Board of Public Utilities dated July 31, 2000
in Docket No. GO99030124

**STANDARD TERMS AND CONDITIONS
(Continued)**

These provisions are subject to the customer's right to pursue a bill dispute proceeding pursuant to N.J.A.C. 14:3-7.14.

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 size, total capacity, or method of operation of customer's equipment shall be made without previous written notice to Public Service.
- 7.2. **Piping:** Gas piping installed on the customer's premises must conform to all requirements of municipal or other properly constituted public authorities and to the regulations set forth in "Installation of Gas Appliances and Gas Piping," issued by Public Service and available on request.
- 7.3. **Utilization Apparatus:** All utilization apparatus shall have the approval of the American Gas Association Testing Laboratories (American Standard Approval Requirements) and, in addition, shall have the approval of Public Service. The manner of installation of all utilization apparatus shall be in accordance with "Installation of Gas Appliances and Gas Piping," issued by Public Service and available on request.

Where the use of gas service is to be intermittent or occasional, or for low load factor purposes or for short durations, equipment shall not be connected without previous written notice to Public Service.

- 7.4. **Back Pressure and Suction:** When the nature of the customer's utilization apparatus 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, subject to inspection and approval by Public Service, shall be furnished, installed, and maintained by the customer.
- 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, free of charge, adjustments to gas burners and certain associated equipment 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.

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STANDARD TERMS AND CONDITIONS
(Continued)

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. 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.

- 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. Separate Billing for Each Installation:** The gas service used by a customer through each service connection shall be billed separately at the applicable rate schedule selected by the customer. See Sections 5.1 and 6.1 of these Standard Terms and Conditions.
- 8.4. Metering on Customer's Premises:**
- 8.4.1. 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.

**STANDARD TERMS AND CONDITIONS
(Continued)**

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 was served and billed directly by Public Service.

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.

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

8.4.3. 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, reasonable administrative expenses may be included, such charges shall not exceed the amount Public Service would have charged such tenant if the tenant had been served and billed by Public Service directly.

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.

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.

STANDARD TERMS AND CONDITIONS
(Continued)

- 8.5. 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.

- 8.6. 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 CS-RSG and FT-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 ISG, CIG, CEG, 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 CS-RSG, FT-RSG and CS-GS (where CS-GS 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 service 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 10 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 prior to the date of a proposed discontinuance for non-payment 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 CS-RSG and FT-RSG. Service to a body politic will not be subject to a late payment charge. The charge will be applied to

**STANDARD TERMS AND CONDITIONS
(Continued)**

all amounts billed including accounts payable and unpaid finance charge amounts applied to previous bills, 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 \$14.00 may be applied to commercial and industrial accounts which include Rate Schedules: CS-GS, CS-LV, CS-SLG, CS-CFG, FT-GS, FT-LV, FT-SLG, FT-CFG, ISG, CIG, CEG, 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 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;

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**STANDARD TERMS AND CONDITIONS
(Continued)**

(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 8.4 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) 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 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 7 days written notice of its intentions to discontinue. The notice of discontinuance shall not be served until the expiration of the 10-day period. 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.
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 in common areas of multiple-family premises and 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.

- 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 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.

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 25

**STANDARD TERMS AND CONDITIONS
(Continued)**

14. 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 hereof, 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. 12 GAS

**Original Sheet No. 26
Original Sheet No. 27
Original Sheet No. 28
Original Sheet No. 29
Original Sheet No. 30**

RESERVED FOR FUTURE USE

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 31

SOCIETAL BENEFITS CHARGE

	<u>Cost Recovery</u> (cents)
Average Cost per therm for:	
Social Programs.....	0.0000
Demand Side Management Programs	0.4372
Manufactured Gas Plant Remediation.....	0.1431
Consumer Education	0.0000
Universal Service Fund.....	<u>0.0000</u>
Sub-total Cost per therm.....	<u>0.5803</u>

RATE SCHEDULES

FT-RSG, FT-SLG,
FT-CFG, FT-UVNG,
FT-GS, FT-LV

Adjustment factor per therm.....	1.015
Total Amount of cost recovery per therm.....	0.5890 ¢
Charges including New Jersey Sales and Use Tax (SUT).....	0.6243 ¢

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 32

**SOCIETAL BENEFITS CHARGE
(Continued)**

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 seven-year constant maturity treasury rate plus 60 basis points will be accrued on any under- or over-recovered balances.

SOCIAL PROGRAMS

This factor shall recover costs associated with existing social programs. This includes but is not limited to uncollectible customers' accounts.

DEMAND SIDE MANAGEMENT PROGRAMS

This factor is a recovery mechanism which will operate in accordance with the Demand Side Management (DSM) conservation incentive regulations. The factor shall recover Core and Performance Program Costs and Performance Program Payments on a current basis, and shall also recover payments for Large-Scale Conservation Investments.

Core and Performance Program Costs of BPU-approved DSM programs consist of, but are not limited to, rebates, grants, payments to third parties for program implementation, direct marketing costs, DSM hardware, administration, measurement and evaluation of DSM 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, applicable Lost Revenues, and DSM 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. 8010-687B 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.

CONSUMER EDUCATION

This factor shall recover restructuring costs such as educating residential, small business, and special needs consumers about the implications for consumers of the restructuring of the gas industry. The consumer education program shall include, but need not be limited to, the dissemination of information to enable consumers to make informed choices among gas services and suppliers, and the communication to consumers of consumer protection provisions.

UNIVERSAL SERVICE FUND

This factor shall recover costs associated with new or expanded social programs.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 33

REALIGNMENT ADJUSTMENT CHARGE

	<u>Cost of Recovery</u> <u>cents</u>
Average Cost per therm for:	
Realignment Adjustment.....	0.00000

RATE SCHEDULES

FT-RSG, FT-SLG,
FT-CFG, FT-UVNG,
FT-GS AND FT-LV

Realignment Adjustment.....	1.0150 ¢
Total Amount of cost recovery per therm.....	0.0000 ¢
Charges including New Jersey Sales and Use Tax (SUT).....	0.0000 ¢

Realignment Adjustment 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 seven-year constant maturity treasury rate plus 60 basis points will be accrued on any under- or over-recovered balances.

This factor shall recover certain fixed costs and lost revenues related to customer's obtaining their gas supplies from a third party supplier.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 34

**COMMODITY CHARGE APPLICABLE TO
RATE SCHEDULES CS-RSG, CS-SLG, CS-CFG, AND CS-UVNG**

	Commodity Charge for		
	CS-RSG	CS-SLG	CS-UVNG
Average Cost of Gas Sent Out	40.3614 ¢	35.3614 ¢	35.3614 ¢
Non-Gulf Coast (over) or under recovery	4.0870 ¢	4.0870 ¢	4.0870 ¢
Monthly Adjustment to Non-Gulf Coast (over) or under recovery	<u>(1.9518) ¢</u>	<u>(1.9518) ¢</u>	<u>(1.9518) ¢</u>
Average Cost per therm of gas sent out including Non-Gulf Coast (over) or under recovery with Monthly adjustment.....	42.4966 ¢	37.4966 ¢	37.4966 ¢
CS Base Cost.....	<u>33.0000 ¢</u>	<u>28.0000 ¢</u>	<u>28.0000 ¢</u>
Increase above or (below) base cost.....	9.4966 ¢	9.4966 ¢	9.4966 ¢
Adjustment factor per therm.....	1.0150	1.0150	1.0150
CS Differential cost above or below base cost	9.6390 ¢	9.6390 ¢	9.6390 ¢
CS Base Cost.....	<u>33.0000 ¢</u>	<u>28.0000 ¢</u>	<u>28.0000 ¢</u>
CS Commodity Charge	<u>42.6390 ¢</u>	<u>37.6390 ¢</u>	<u>37.6390 ¢</u>
Charges including New Jersey Sales and Use Tax.....	<u>45.1973 ¢</u>	<u>39.8973 ¢</u>	<u>39.8973 ¢</u>

	CS-CFG Commodity Charge for Cogeneration Facilities in Service	
	On or before March 10, 1997	After March 10, 1997 Charges include New Jersey Sales and Use Tax
Average Cost of Gas Sent Out	35.3614 ¢	
Non-Gulf Coast (over) or under recovery	4.0870 ¢	
Monthly Adjustment to Non-Gulf Coast (over) or under recovery	<u>(1.9518) ¢</u>	
Average Cost per therm of gas sent out including Non-Gulf Coast (over) or under recovery with Monthly adjustment.....	37.4966 ¢	
CS Base Cost.....	<u>28.0000 ¢</u>	
Increase above or (below) base cost.....	9.4966 ¢	
Adjustment factor per therm.....	1.0150 ¢	
CS Differential cost above or below base cost	9.6390 ¢	
CS Base Cost.....	<u>28.0000 ¢</u>	
CS Commodity Charge	<u>37.6390 ¢</u>	<u>39.8973 ¢</u>

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 35

COMMODITY CHARGE APPLICABLE TO CS-GS AND CS-LV

**Please refer to the Company's web site to view these Tariff Sheets at
<http://www.pseq.com/companies/pseandg/schedules/tariffs.html>**

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 36

**COMMODITY CHARGE
APPLICABLE TO MARKET PRICE GAS SERVICE MPGS**

**Please refer to the Company's web site to view these Tariff Sheets at
<http://www.pseq.com/companies/pseandg/schedules/tariffs.html>**

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 37

**COMMODITY CHARGE
APPLICABLE TO INTERRUPTIBLE SCHEDULE ISG**

**Please refer to the Company's web site to view these Tariff Sheets at
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 38

**COMMODITY CHARGE
APPLICABLE TO INTERRUPTIBLE SCHEDULE ISG
(continued)**

**Please refer to the Company's web site to view these Tariff Sheets at
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 39

**COMMODITY CHARGE
APPLICABLE TO RATE SCHEDULES
COGENERATION INTERRUPTIBLE SERVICE CIG
COGENERATION EXTENDED SERVICE CEG**

**Please refer to the Company's web site to view these Tariff Sheets at
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 40

OFF-PEAK USAGE

COMMODITY CHARGE APPLICABLE TO OFF-PEAK USAGE FOR CS-RSG

The average closing price on the New York Mercantile Exchange (NYMEX) for
The first 15 days of April 2000 for natural gas for the months of May through
October 29.9170¢

ADJUSTED FOR:

- Public Service's weighted average commodity cost of firm interstate
Transportation from the Gulf Coast area to New Jersey, including the
Cost of shrinkage and any applicable commodity surcharges of Public
Service's interstate pipelines at 2.7900 cents 32.7070¢
- Losses differential 32.8051¢
- A contribution differential to the CS Commodity Charge of (1) cent..... 31.8051¢
- A margin differential of (1.0112) cents..... 30.7939¢
- BPU assessment at 0.1390% 30.8368¢
- Societal Benefits/Realignment Adjustment Charge differential of (0.4438) cents 30.3930¢
- Charge including New Jersey Sales and Use Tax (SUT)..... 32.2166¢

COMMODITY CHARGE APPLICABLE TO OFF-PEAK USAGE FOR CS-GS AND CS-LV

The average closing price on the New York Mercantile Exchange (NYMEX) for
The first 15 days of April 2000 for natural gas for the months of May through
October 29.9170¢

ADJUSTED FOR:

- Public Service's weighted average commodity cost of firm interstate
Transportation from the Gulf Coast area to New Jersey, including the
Cost of shrinkage and any applicable commodity surcharges of Public
Service's interstate pipelines at 2.7900 cents 32.7070¢
- Losses differential 32.8051¢
- A contribution differential to the CS Commodity Charge of (1) cent..... 31.8051¢
- A margin differential of (0.9878) cents..... 30.8173¢
- GNR-3 TEFA at 0.0288 cents..... 30.8461¢
- BPU assessment at 0.1390% 30.8890¢
- Societal Benefits/Realignment Adjustment Charge differential of (0.4438) cents 30.4452¢
- Charge including SUT..... 32.2719¢

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 41

**OFF-PEAK USAGE
(continued)**

RATE SCHEDULE FT-RSG:

This transportation charge is applicable to all FT-RSG for all purposes in excess of 50 therms in any month during the Off-Peak period

A charge for gas losses per therm which is based upon Public Service's estimated weighted average commodity cost of gas received by Public Service during the Off-Peak period adjusted by the system-wide loss factor of 1.5 percent..... 0.4000¢

ADJUSTED FOR:

- A contribution to the CS Commodity Charge of 5 cents 5.4000¢
- A margin of 5.0103 cents 10.4103¢
- GR-3 Transitional Energy Facility Assessment Unit Tax (TEFA) at 1.6845¢ 12.0948¢
- BPU assessment at 0.1390% 12.1116¢
- Societal Benefits/Realignment Adjustment Charge of 0.5890 cents 12.7006¢
- Charge including New Jersey Sales and Use Tax (SUT)..... 13.4626¢

RATE SCHEDULE FT-GS and FT-LV:

This transportation charge is applicable to all FT-GS who separately meter gas cooling equipment and to FT-LV customers with separately metered gas cooling equipment and who are supplied gas commodity through rate schedule CS-LV.

A charge for gas losses per therm which is based upon Public Service's estimated weighted average commodity cost of gas received by Public Service during the Off-Peak period adjusted by the system-wide loss factor of 1.5 percent..... 0.4000¢

ADJUSTED FOR:

- A contribution to the CS Commodity Charge of 5 cents 5.4000¢
- A margin of 5.0089 cents 10.4089¢
- GNR-5 TEFA at 0.2108 cents 10.6197¢
- BPU assessment at 0.1390% 10.6345¢
- Societal Benefits/Realignment Adjustment Charge of 0.5890 cents 11.2235¢
- Charge including SUT 11.8969¢

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 42

TRANSITIONAL ENERGY FACILITY ASSESSMENT UNIT TAX

The following are the Transitional Energy Facility Assessment Unit Taxes that are included in the per therm commodity charges, or transportation charges, by rate schedule.

<u>TAX CLASS</u>	<u>RATE SCHEDULE</u>	<u>SPECIAL CONDITION</u>	<u>UNIT TAX</u>
GR-1	FT-RSG		\$0.023625
GR-2	FT-RSG	Off Peak	0.016845
GNR-1	CS-GS		0.021292
GNR-2	CS-LV		0.009142
GNR-3	CS-GS	Off Peak	0.000288
	CS-LV	Off Peak	0.000288
GNR-4	ISG		0.012957
GNR-5	FT-GS		0.002108
	FT-LV		0.002108
	TSG-F		0.002108
	FT-GS	Off Peak	0.002108
	FT-LV	Off Peak	0.002108
GNR-6	TSG-NF		0.001786
GNR-7	FT-SLG		0.023443
GNR-10	FT-UVNG		0.012775
GNR-11	FT-GS	Emergency	0.021292
GNR-12	FT-LV	Emergency	0.009142
GNR-13	MPGS-GS		0.021292
GNR-	MPGS-LV		0.009142

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 43

RESERVED FOR FUTURE USE

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 44

**RATE SCHEDULE CS-RSG
COMMODITY SERVICE – RESIDENTIAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm commodity service for residential purposes. Customers taking service from this rate schedule must also take service under Rate Schedule FT-RSG.

CHARACTER OF SERVICE:

Continuous.

RATE:

Commodity Charge:

The total commodity charge per therm of gas used will be set equal to the estimated average commodity cost of gas received by Public Service including applicable taxes:

The estimated average cost of gas will be established on a level annualized basis immediately prior to October of each year for the succeeding twelve-month period. This estimated average cost 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 CS Commodity Charge filing. Interest shall be determined monthly on the cumulative under- or over-recovery average balance for the month utilizing the Company's allowed overall rate of return. This charge will apply to all therms billed each month of the succeeding twelve-month period, with the exception of therms billed under Special Provision (a). In the event that a major change in the average cost occurs during the twelve-month period, a revised estimated average cost will be calculated and applied for the remainder of the period in accordance with the above. Further, the Company will be permitted on a monthly basis, subject to the limits noted below, to adjust the Non-Gulf Coast Cost of Gas Component of the Commodity Charge. This monthly change will only be made if the estimated change is at least 0.5¢ per therm. Such monthly changes can only be made during the months of November through April (winter period) and are limited to 0.7¢ (including Sales and Use Tax, SUT) per therm and the total change in the rate is limited to plus or minus 3.5¢ (including SUT) per therm during the winter period.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 45

**RATE SCHEDULE CS-RSG
COMMODITY SERVICE – RESIDENTIAL SERVICE
(continued)**

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

New Jersey Sales and Use Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Balancing Credit:

A credit of 5.552¢ (5.885¢ including SUT) per balancing therm as applied in Special Provision (e) of Rate Schedule FT-RSG will be applied.

Other Charges:

See Special Provisions (a) Off-Peak Use, (c), and (d).

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in therms per hundred cubic feet which appears on every bill.

TERMS OF PAYMENT:

Bills are due on presentation.

TERM:

Customer may discontinue service upon notice.

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**RATE SCHEDULE CS-RSG
COMMODITY SERVICE – RESIDENTIAL SERVICE
(continued)**

SPECIAL PROVISIONS:

- (a) **Off-Peak Commodity Service:** This gas service is applicable for central air-conditioning equipment having a rated capacity of not less than two tons of refrigeration. The Commodity 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 the sum of the following: (a) the average closing price on the NYMEX for the first 15 days of April for natural gas for the months of May through October; (b) Public Service's weighted average commodity cost of firm interstate transportation from the Gulf Coast area to New Jersey, including the cost of shrinkage and any applicable commodity surcharges of Public Service's interstate pipelines; (c) a loss differential; (d) a contribution differential to the CS Commodity Charge of (1) cent per therm; (e) a margin differential of (1.0112) cents per therm which will be retained by the Company; (f) the applicable taxes related to the sale of gas; (g) BPU assessment; (h) the applicable Societal Benefits Charge differential, and (i) additional applicable taxes.

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

- (b) **Resale:** Service under this rate schedule is not available for resale.
- (c) **Corporation Business Tax:** The Energy Tax Reform Statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
- (c-1) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (d) **New Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by provision for the SUT included therein:
- (d-1) Agencies or instrumentalities of the federal government.
- (d-2) International organizations of which the United States of America is a member.
- (d-3) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this tariff.

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B.P.U.N.J. No. 12 GAS

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 48

**RATE SCHEDULE CS-GS
COMMODITY SERVICE - GENERAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Applicable general purpose commodity for customers who were receiving service pursuant to Rate Schedule GSG immediately prior to the initial effectiveness of this rate schedule and who continuously received service under this Rate Schedule and where customer's usage does not exceed 3,000 therms in any month. Customers taking service from this rate must also take service under Rate Schedule FT-GS. After leaving Rate Schedule CS-GS to purchase gas from a third-party seller, a customer shall have a limited one-time right to return to CS-GS service. This limited right may only be exercised within a period not greater than one year and sixty days from the date of such termination of the customer's initial CS-GS service agreement. After the period of one year and sixty days from the date of such termination of the customer's initial CS-GS service agreement, the customer may only purchase gas from Public Service under Rate Schedule MPGS.

CHARACTER OF SERVICE:

Continuous.

RATE:

Commodity Charge:

The total monthly commodity charge per therm of gas used will be set equal to the estimated average commodity cost of gas received by Public Service comprised of (a) and (b) below and (c) applicable taxes:

- a) The Estimated Non-Gulf Coast Cost of Gas Components will be established on a level winter/summer basis immediately prior to November of each year. This Estimated Cost 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 previous November through October monthly pricing. Interest shall be determined monthly on the cumulative under- or over-recovery average balance for the month utilizing the Company's allowed overall rate of return.
- b) The Monthly Gulf Coast Cost of Gas will be established prior to the beginning of each month based on the average of: 1) the average NYMEX closing price for the last three trading days prior to each respective month; and 2) the estimated gas cost index from "Inside FERC's Gas Market Report" for the first publication each month for the producing locations that relate to Public Service's firm transportation contracts, plus or minus any difference between the estimate and the actual inside FERC Index from the prior month.

The Total Gas Cost shall be equal to the applicable winter/summer Non-Gulf Coast commodity charge plus the monthly Gulf Coast commodity charge. The monthly charge will apply to all therms billed each month, with the exception of therms billed under Special Provision (a). In the event that a major change in the Estimated Fixed Cost Component occurs during the twelve-month period, a revised estimated average cost will be calculated and applied for the remainder of the period in accordance with the above.

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**RATE SCHEDULE CS-GS
COMMODITY SERVICE - GENERAL SERVICE
(continued)**

(c) STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

New Jersey Sales and Use Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Transitional Energy Facility Assessment (Expires On January 1, 2003):

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), a temporary Transitional Energy Facilities Assessment (TEFA) as shown on Sheet No. 42 has been included in the per therm distribution charges applicable under this rate schedule.

Balancing Credit:

A credit of 5.552¢ (5.885¢ including SUT) per balancing therm as applied in Special Provision (d) of Rate Schedule FT-GS will be applied.

Other Charges:

See Special Provisions (a) Off-Peak Use, (c) Cogeneration Use, (d), (e), (f), and (g).

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in therms per hundred cubic feet which appears on every bill.

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.

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**RATE SCHEDULE CS-GS
COMMODITY SERVICE - GENERAL SERVICE
(continued)**

SPECIAL PROVISIONS:

- (a) **Off-Peak Commodity Service:** This gas service is applicable for cooling or for dehumidification when supplied through a separate meter. The Commodity Charge for the therms used during the Off-Peak period shall be set equal to the sum of the following: (a) the average closing price on the NYMEX for the first 15 days of April for natural gas for the months of May through October; (b) Public Service's weighted average commodity cost of firm interstate transportation from the Gulf Coast area to New Jersey, including the cost of shrinkage and any applicable commodity surcharges of Public Service's interstate pipelines; (c) a loss differential ; (d) a contribution differential to the CS Commodity Charges of (1) cent per therm; (e) a margin differential of (0.9878) cents per therm which will be retained by the Company; (f) the applicable taxes related to the sale of gas; (g) BPU assessment; (h) the applicable Societal Benefits/Realignment Adjustment Charge Differential, and (i) additional applicable taxes.

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

- (b) **Resale:** Service under this rate schedule is not available for resale.
- (c) **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 is exempt from taxes as set forth below in Special Provisions (d), (e), and (f).

- (d) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
- (d-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- (d-2) Cogenerators in operation, or which have 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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**RATE SCHEDULE CS-GS
COMMODITY SERVICE - GENERAL SERVICE
(continued)**

- (d-3) 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-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (e) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
 - (e-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (e-2) Cogenerators in operation, or which have 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.
 - (e-3) 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.
 - (e-4) Agencies or instrumentalities of the federal government.
 - (e-5) International organizations of which the United States of America is a member.
 - (e-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (f) **Transitional Energy Facility Assessment:** The energy tax reform statute exempts the following customers from the Transitional Energy Facility Assessment (TEFA), and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the amount of the TEFA included therein:
 - (f-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (f-2) Cogenerators in operation, or which have 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.

Date of Issue: August 8, 2000

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

80 Park Plaza, Newark, New Jersey 07101

Filed pursuant to Order of Board of Public Utilities dated July 31, 2000
in Docket No. GO99030124

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 52

**RATE SCHEDULE CS-GS
COMMODITY SERVICE - GENERAL SERVICE
(continued)**

- (f-3) 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.
- (f-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (g) Existing customers after July 14, 1997 who no longer wish to receive gas commodity service from Public Service, but wish to designate a qualified seller for future deliveries of gas, shall continue to be responsible for paying the TEFA unit tax rates associated with their former rate schedule(s) until the expiration of the TEFA assessment. Further, new customers, as designated by Public Service, receiving service after July 14, 1997 shall be responsible for paying the TEFA unit tax rates associated with both the "FT" Transportation and the corresponding "CS" Commodity Rate Schedule.

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff.

Date of Issue: August 8, 2000
Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07101
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 53

RESERVED FOR FUTURE USE

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 54

**RATE SCHEDULE CS-LV
COMMODITY SERVICE - LARGE VOLUME**

APPLICABLE TO USE OF SERVICE FOR:

Applicable general purpose commodity for customers who were receiving service pursuant to Rate Schedule LVG immediately prior to the initial effectiveness of this rate schedule and who continuously received service under this rate schedule. Customers taking service from this rate must also take service under Rate Schedule FT-LV. After leaving Rate Schedule CS-LV to purchase gas from a third-party seller, a customer shall have a limited one-time right to return to CS-LV service. This limited right may only be exercised within a period not greater than one year and sixty days from the date of such termination of the customer's initial CS-LV service agreement. After the period of one year and sixty days from the date of such termination of the customer's initial CS-LV service agreement, the customer may only purchase gas from Public Service under Rate Schedule MPGS.

CHARACTER OF SERVICE:

Continuous.

RATE:

Commodity Charge:

The total monthly commodity charge per therm of gas used will be set equal to the estimated average commodity cost of gas received by Public Service comprised of (a) and (b) below and (c) applicable taxes:

- a) The Estimated Non-Gulf Coast Cost of Gas Components will be established on a level winter/summer basis immediately prior to November of each year. This Estimated Cost 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 previous November through October monthly pricing. Interest shall be determined monthly on the cumulative under- or over-recovery average balance for the month utilizing the Company's allowed overall rate of return.
- b) The Monthly Gulf Coast Cost of Gas will be established prior to the beginning of each month based on the average of: 1) the average NYMEX closing price for the last three trading days prior to each respective month; and 2) the estimated gas cost index from "Inside FERC's Gas Market Report" for the first publication each month for the producing locations that relate to Public Service's firm transportation contracts, plus or minus any difference between the estimate and the actual inside FERC Index from the prior month.

The Total Gas Cost shall be equal to the applicable winter/summer Non-Gulf Coast commodity charge plus the monthly Gulf Coast commodity charge. The monthly charge will apply to all therms billed each month, with the exception of therms billed under Special Provision (a). In the event that a major change in the Estimated Fixed Cost Component occurs during the twelve-month period, a revised estimated average cost will be calculated and applied for the remainder of the period in accordance with the above.

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE CS-LV
COMMODITY SERVICE - LARGE VOLUME
(continued)**

(c) STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

New Jersey Sales and Use Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Transitional Energy Facility Assessment (Expires On January 1, 2003):

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), a temporary Transitional Energy Facilities Assessment (TEFA) as shown on Sheet No. 42 has been included in the per therm distribution charges applicable under this rate schedule.

Balancing Credit:

A credit of 5.552¢ (5.885¢ including SUT) per balancing therm as applied in Special Provision (d) of Rate Schedule FT-LV will be applied.

Other Charges:

See Special Provisions (a) Off-Peak Use, (c) Cogeneration Use, (e), (f), (g) and (h).

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in therms per hundred cubic feet which appears on every bill.

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.

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE CS-LV
COMMODITY SERVICE - LARGE VOLUME
(continued)**

SPECIAL PROVISIONS:

- (a) **Off-Peak Commodity Service:** This separately metered gas service is applicable for (1) building cooling or dehumidification or (2) boilers, used in whole or in part to supply the requirements of absorption air-conditioning equipment of 100 tons or more nominal capacity. The Commodity Charge for the terms used during the Off-Peak period shall be set equal to the sum of the following: (a) the average closing price on the NYMEX for the first 15 days of April for natural gas for the months of May through October; (b) Public Service's weighted average commodity cost of firm interstate transportation from the Gulf Coast area to New Jersey, including the cost of shrinkage and any applicable commodity surcharges of Public Service's interstate pipelines; (c) a loss differential; (d) a contribution differential to the CS Commodity Charge of (1) cent per therm; (e) a margin differential of (0.9878) cents per therm which will be retained by the Company; (f) the applicable taxes related to the sale of gas; (g) BPU assessment; (h) the applicable Societal Benefits/Realignment Adjustment Charge Differential, and (i) additional applicable taxes.

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

- (b) **Resale:** Service under this rate schedule is not available for resale.
- (c) **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 is exempt from taxes as set forth below in Special Provisions (e), (f), and (g).

- (d) 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.

**RATE SCHEDULE CS-LV
COMMODITY SERVICE - LARGE VOLUME
(continued)**

- (e) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
- (e-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (e-2) Cogenerators in operation, or which have 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.
 - (e-3) 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.
 - (e-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (f) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
- (f-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (f-2) Cogenerators in operation, or which have 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.
 - (f-3) 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.
 - (f-4) Agencies or instrumentalities of the federal government.
 - (f-5) International organizations of which the United States of America is a member.
 - (f-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

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**RATE SCHEDULE CS-LV
COMMODITY SERVICE - LARGE VOLUME
(continued)**

- (g) **Transitional Energy Facility Assessment:** The energy tax reform statute exempts the following customers from the Transitional Energy Facility Assessment (TEFA), and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the amount of the TEFA included therein:
- (g-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (g-2) Cogenerators in operation, or which have 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.
 - (g-3) 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.
 - (g-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (h) Existing customers after July 14, 1997 who no longer wish to receive gas commodity service from Public Service, but wish to designate a qualified seller for future deliveries of gas, shall continue to be responsible for paying the TEFA unit tax rates associated with their former rate schedule(s) until the expiration of the TEFA assessment. Further, new customers, as designated by Public Service, receiving service after July 14, 1997 shall be responsible for paying the TEFA unit tax rates associated with both the "FT" Transportation and the corresponding "CS" Commodity Rate Schedule.

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff.

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 59

RESERVED FOR FUTURE USE

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 60

**RATE SCHEDULE CS-SLG
COMMODITY SERVICE - STREET LIGHTING SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm commodity service for gas street lighting. Customers taking service from this rate must also take service under Rate Schedule FT-SLG.

CHARACTER OF SERVICE:

Continuous.

RATE:

Commodity Charge:

The total commodity charge per therm of gas used will be set equal to the estimated average commodity cost of gas received by Public Service including applicable taxes:

The estimated average cost of gas will be established on a level annualized basis immediately prior to October of each year for the succeeding twelve-month period. This estimated average cost 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 CS Commodity Charge filing. Interest shall be determined monthly on the cumulative under- or over-recovery average balance for the month utilizing the Company's allowed overall rate of return. This charge will apply to all therms billed each month of the succeeding twelve-month period. In the event that a major change in the average cost occurs during the twelve-month period, a revised estimated average cost will be calculated and applied for the remainder of the period in accordance with the above. Further, the Company will be permitted on a monthly basis, subject to the limits noted below, to adjust the Non-Gulf Coast Cost of Gas Component of the Commodity Charge. This monthly change will only be made if the estimated change is at least 0.5¢ per therm. Such monthly changes can only be made during the months of November through April (winter period) and are limited to 0.7¢ (including Sales and Use Tax, SUT), per therm and the total change in the rate is limited to plus or minus 3.5¢ (including SUT) per therm during the winter period.

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 61

**RATE SCHEDULE CS-SLG
COMMODITY SERVICE - STREET LIGHTING SERVICE
(continued)**

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

New Jersey Sales and Use Tax

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Allowance for Lamp Outages:

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

Balancing Credit:

A credit of 5.552¢ (5.885¢ including SUT) per balancing therm as applied in Special Provision (d) of Rate Schedule FT-SLG will be applied.

Other Charges:

See Special Provisions (b) and (c).

DETERMINATION OF THERMS:

The number of therms used shall be determined by the number of days in the billing month times the below listed Commodity Charge daily usage values for the particular lamp type.

The Commodity Charge shall be applied to the following daily usages by lamp 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

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 62

**RATE SCHEDULE CS-SLG
COMMODITY SERVICE - STREET LIGHTING 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:

- (a) **Resale:** Service under this rate schedule is not available for resale.
- (b) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
 - (b-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (b-2) Cogenerators in operation, or which have 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.
 - (b-3) 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.
 - (b-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (c) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
 - (c-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 63

**RATE SCHEDULE CS-SLG
COMMODITY SERVICE - STREET LIGHTING SERVICE
(continued)**

- (c-2) Cogenerators in operation, or which have 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-3) 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.
- (c-4) Agencies or instrumentalities of the federal government.
- (c-5) International organizations of which the United States of America is a member.
- (c-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff.

Date of Issue: August 8, 2000

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 64

RESERVED FOR FUTURE USE

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 65

**RATE SCHEDULE ISG
INTERRUPTIBLE SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

General purposes where the maximum requirement for interruptible gas is not less than 150 therms per hour.

CHARACTER OF SERVICE:

Interruptible.

RATE:

Service Charge:

\$150.00 (\$159.00 including SUT) in each month.

Commodity Charge:

The customer has the option of selecting one of the following rate methodologies.

- A. Oil Parity Pricing** - For all non-nominated consumption, including annual usage in excess of 10 percent of the nominated amount for those customers who nominated an annual level of therms, the rate per therm of gas used will be set equal to the estimated price of the customer's alternate fuel capability. The prices for No. 2, No. 4, 0.3 percent No. 6 oil and higher than 1.5 percent sulfur No. 6 oil alternate fuel capability categories will be based on the current marketability of this gas with respect to alternate fuel sources available to Rate Schedule ISG customers.

The Commodity Charge shall include two-step blocking at 50,000 therms per month. The rate per therm may be reduced for either or both blocks, during the month if there is a significant reduction in the marketability price of alternate fuels. These prices shall be considered to include the effect of losses and taxes from the sales of this gas. These prices will be utilized if they fall between the floor and the ceiling prices defined as follows. The floor price is the estimated average commodity cost of gas received by Public Service adjusted to include: (a) the effect of losses estimated to be 1.5 percent, (b) a margin of 1 cent, (c) taxes related to the sales of gas, (d) the Manufactured Gas Plant Remediation Component of Societal Benefits Charge, (e) BPU assessment, and (f) additional applicable taxes. The ceiling price is defined as equaling the estimated average commodity cost of gas received by Public Service, adjusted for losses at 1.5 percent, plus a net margin of: 24.89¢, 18.89¢ or 12.89¢ per therm, for customers with alternate fuel capability of No. 2, No. 4 and No. 6 oil, respectively.

The estimated average commodity cost of gas received by Public Service will be adjusted to include 50 percent of pipeline demand charges upon the effectiveness of pipeline Order 636 compliance tariffs which adopt the FERC's SFV method.

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE ISG
INTERRUPTIBLE SERVICE
(continued)**

B. Nominated Consumption Pricing - The pricing will include a Nomination charge and a Commodity Charge, based upon the customer's alternative fuel capability. The customer shall nominate an annual level of therms and the Nomination Charge will be billed each month based on one-twelfth of the annual level nominated. The Commodity Charge shall include two-step blocking at 50,000 therms per month. The Commodity Charge will be set equal to the estimated average commodity cost of gas received by Public Service adjusted to include: (a) the effect of losses estimated to be 1.5 percent, (b) the Manufactured Gas Plant Remediation Adjustment Charge, (c) the appropriate level of Commodity Margin according to the customer's alternate fuel capability, as shown on Sheet No. 44, and (d) taxes related to the sales of gas.

The estimated average commodity cost of gas received by Public Service will be adjusted to include 50 percent of pipeline demand charges upon the effectiveness of pipeline Order 636 compliance tariffs which adopt the FERC's SFV method.

	Fuel Type		
	No. 2	No. 4	No. 6
Nomination Charge	\$0.045	\$0.035	\$0.025
Commodity Margin:			
0 to 50,000 therms	\$0.085	\$0.065	\$0.036
Over 50,000 therms	0.085	0.065	0.036

The Commodity Margins listed above are the maximum margins that could be charged to both blocks by alternate fuel capability. Public Service may reduce the Commodity Margin in calculating the Commodity Charge for either or both blocks, at the beginning of the month and/or during the month, to reflect market conditions.

The current month's Nomination Charge and the customer's annual level of Nominated Therms will be reduced for each day that Public Service interrupts service by an amount equal to the customer's average daily level of consumption during the non-interrupted days of the billing month. If there are fewer than ten non-interrupted days in any given month, the previous month's average daily level of consumption (for the last preceding month in which non-interrupted days are ten or more) will be utilized for calculating the reduction.

The per therm Commodity Charge for annual usage in excess of no more than 10 percent of the nominated annual level of therms will be calculated as follows. The estimated average commodity cost of gas received by Public Service adjusted to include: (a) the effect of losses estimated to be 1.5 percent, (b) a margin, which is the sum of the customer's Nomination Charge and Commodity Margin, and (c) taxes related to the sales of gas. The Commodity Charge shall include two-step blocking at 50,000 therms per month. Public Service may reduce the Commodity Margin in calculating the Commodity Charge for either or both blocks at the beginning of the month and/or during the month, to reflect market conditions.

All recoveries resulting from the sales of gas under this rate schedule which exceed the cost of supplying such gas will be used to reduce the monthly cost of gas supplied to firm customers.

**RATE SCHEDULE ISG
INTERRUPTIBLE SERVICE
(continued)**

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

New Jersey Sales and Use Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Transitional Energy Facility Assessment (Expires On January 1, 2003):

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), a temporary Transitional Energy Facilities Assessment (TEFA) as shown on Sheet No. 42 has been included in the per therm distribution charges applicable under this rate schedule.

Other Charges:

See Special Provisions (b), (g), (o), (q), (r), and (s).

MINIMUM CHARGE:

The monthly minimum charge shall be \$150.00 (\$159.00 including SUT).

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in therms per hundred cubic feet which appears on every bill.

The "therms multiplier" should 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 from the commencement date specified in the Application for Interruptible Gas Service required by Special Provision (a). The term may be extended by agreement between customer and Public Service.

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Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE ISG
INTERRUPTIBLE SERVICE
(continued)**

SPECIAL PROVISIONS:

Interruptible service will be furnished, when and where available, under the following conditions:

- (a) Customer will be required to sign an Application for Interruptible Gas Service and service will be restricted to the maximum annual and hourly requirements, and the location and equipment specified. Attached to the Application for Interruptible Gas Service 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 a 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. 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 the application.

If a customer utilizes more than one type of alternate fuel, the rate per therm to such customer shall be determined by taking a weighted average of the prices determined above. Such weighting will be based upon the alternate fuel percentage stated in the customer's affidavit. Propane, or alternate fuels other than No. 4 Fuel Oil or No. 6 Fuel Oil, shall be considered to be equivalent to No. 2 Fuel Oil for purposes of setting the appropriate rates under this Tariff. Customers that do not have an alternate fuel and that provide certification that they will suspend operations during an interruption shall be charged the rate per therm for No. 2 Fuel Oil customers.

- (b) No Service Charge shall apply to customers receiving service under this Special Provision who were OPG customers before October 31, 1986. The monthly Minimum Charge hereinbefore stated shall apply to former OPG customers in each of the months of May through November.

Service to former OPG customers during the months of January, February and March will be available for pilots at a Commodity Charge of \$1.00 (\$1.06 including SUT) per therm. If service is used during such months for any other purpose, the Commodity Charge for such service shall be ten times the applicable Commodity Charge for Rate Schedule ISG. However, Public Service has no obligation to supply gas to former OPG customers during the months of January, February and March, except for pilots, and may discontinue deliveries of gas to customer for other purposes. Special Provisions (d), (e), and (g) are not applicable to former OPG customers.

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE ISG
INTERRUPTIBLE SERVICE
(continued)**

- (c) Customer will be required to make payment toward all the investment in facilities which Public Service installs to provide service under this rate schedule. Public Service will refund one-half of the annual revenue less unit taxes, actual commodity gas costs and related taxes and/or assessments, annually, up to an eight-year period, not to exceed the cost of investment. The making of a payment shall not give the customer any interest in the facilities, the ownership being vested exclusively in Public Service.
- (d) 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.
- (e) 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.
- (f) The order of interruption shall be as follows: No. 6 oil customers and then No. 4 oil and No. 2 oil customers.
- (g) If customer does not discontinue the use of gas after notification pursuant to Special Provision (e), the Commodity Charge shall be \$1.00 (\$1.06 including SUT) per therm for an amount equal to 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 (e), in addition to the aforementioned penalty charge, the customer will be notified that it no longer qualifies for service under an interruptible rate schedule. Applicable firm service will be available on a prospective basis.

Except for pilots, however, Public Service has no obligation to supply gas at any time following notice pursuant to Special Provision (e) 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, subject to the availability of supply and delivery capacity, to that firm rate schedule 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, Extension of Distribution Mains of the Standard Terms and Conditions of this Tariff.

Date of Issue: October 10, 2000

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE ISG
INTERRUPTIBLE SERVICE
(continued)**

- (h) Metering shall include a recording device, furnished by Public Service. Customer shall furnish an electrical supply for the operation of the recording device.
- (i) Upon request by Public Service on any day, customer shall furnish an estimate of the amount of gas to be taken under this rate schedule during the next 24-hour period.
- (j) 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.
- (k) 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.
- (l) Public Service shall not be liable in any way for any failure in whole or in part, temporary or permanent, to deliver gas under this rate schedule.
- (m) When customer is temporarily prevented from receiving service during any month by reason of any act of God, accident, strike, or work stoppage, legal process, governmental interference, or compliance with any governmental order, Public Service at its discretion may, upon customer's written request, prorate the Minimum Charge to the number of full days customer was able to receive service.
- (n) Service under this rate schedule is not available for resale.
- (o) Cogeneration use is 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 is exempt from taxes as set forth below in Special Provisions (q), (r), and (s).
- (p) Customers selecting the optional Nominated Consumption Pricing will be required to sign a Service Agreement specifying the customer's nominated annual level of therms. Customer's period of service under this pricing option shall commence on the first day of the calendar month following the execution of the Service Agreement and shall extend for one year from that date. Customer may elect additional one year terms upon execution of an updated Service Agreement.

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**RATE SCHEDULE ISG
INTERRUPTIBLE SERVICE
(continued)**

- (q) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
- (q-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (q-2) Cogenerators in operation, or which have 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.
 - (q-3) 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.
 - (q-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (r) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
- (r-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (r-2) Cogenerators in operation, or which have 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.
 - (r-3) 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.

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**RATE SCHEDULE ISG
INTERRUPTIBLE SERVICE
(continued)**

- (r-4) Agencies or instrumentalities of the federal government.
- (r-5) International organizations of which the United States of America is a member.
- (r-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (s) **Transitional Energy Facility Assessment:** The energy tax reform statute exempts the following customers from the Transitional Energy Facility Assessment (TEFA), and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the amount of the TEFA included therein:
 - (s-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (s-2) Cogenerators in operation, or which have 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.
 - (s-3) 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.
 - (s-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff, except Section 3, Extension of Distribution Mains (except as specified in Special Provision (g)), Section 5.2, Service Connection Charges, Section 7.6, Appliance Adjustments and Section 8.8, Proration of Monthly Charges.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 73

RESERVED FOR FUTURE USE

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 74

**RATE SCHEDULE CS-CFG
COMMODITY SERVICE – COGENERATION FIRM SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm commodity service to be used 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 electrical rating capacity of the generation equipment is not greater than 10 megawatts. Customers taking service from this rate must also take service under Rate Schedule FT-CFG. Additionally customer must be qualified as a cogeneration facility in accordance with Special Provision (a).

CHARACTER OF SERVICE:

Continuous.

RATE:

Commodity Charge:

The total commodity charge per therm of gas used will be set equal to the estimated average commodity cost of gas received by Public Service including applicable taxes:

The estimated average cost of gas will be established on a level annualized basis immediately prior to October of each year for the succeeding twelve-month period. This estimated average cost 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 CS Commodity Charge filing. Interest shall be determined monthly on the cumulative under- or over-recovery average balance for the month utilizing the Company's allowed overall rate of return. This charge will apply to all therms billed each month of the succeeding twelve-month period. In the event that a major change in the average cost occurs during the twelve-month period, a revised estimated average cost will be calculated and applied for the remainder of the period in accordance with the above. Further, the Company will be permitted on a monthly basis, subject to the limits noted below, to adjust the Non-Gulf Coast Cost of Gas Component of the Commodity Charge. This monthly change will only be made if the estimated change is at least 0.5¢ per therm. Such monthly changes can only be made during the months of November through April (winter period) and are limited to 0.7¢ (including Sale and Use Tax, SUT) per therm and the total change in the rate is limited to plus or minus 3.5¢ (including SUT) per therm during the winter period.

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**RATE SCHEDULE CS-CFG
COMMODITY SERVICE – COGENERATION FIRM SERVICE
(continued)**

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

New Jersey Sales and Use Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Balancing Credit:

A credit of 5.552¢ (5.885¢ including SUT) per balancing therm as applied in Special Provision (f) of Rate Schedule FT-CFG will be applied.

Other Charges:

See Special Provisions (d) and (e).

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in therms per hundred cubic feet which appears on every bill.

TERMS OF PAYMENT:

Bills are due on presentation subject to a late payment charge at the rate 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.

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**RATE SCHEDULE CS-CFG
COMMODITY SERVICE – COGENERATION FIRM SERVICE
(continued)**

SPECIAL PROVISIONS:

- (a) Customer must certify that qualifying status has been granted by the Federal Energy Regulatory Commission and will be required to sign an Application for Cogeneration Firm Transportation Gas Service. Attached to the Application for Cogeneration Firm Transportation Gas Service will be a signed affidavit, certifying that the equipment will only utilize natural gas on this rate schedule as its single fuel source. Service will be restricted to the maximum annual and hourly requirements, and the location and equipment specified in the Application. 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 the Application.
- (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.
- (c) **Resale:** Service under this rate schedule is not available for resale.
- (d) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
 - (d-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (d-2) Cogenerators in operation, or which have 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.
 - (d-3) 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-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (e) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
 - (e-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 77

**RATE SCHEDULE CS-CFG
COMMODITY SERVICE – COGENERATION FIRM SERVICE
(continued)**

- (e-2) Cogenerators in operation, or which have 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.
- (e-3) 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.
- (e-4) Agencies or instrumentalities of the federal government.
- (e-5) International organizations of which the United States of America is a member.
- (e-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 78

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 79

**RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE**

APPLICABLE TO USE OF 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.

CHARACTER OF SERVICE:

Interruptible.

RATE:

Service Charge:

\$100.00 in each month [\$106.00 including New Jersey Sales and Use Tax (SUT)].

RATE (for exempt Cogeneration Facilities in service prior to March 10, 1997):

Service Charge:

\$100.00 in each month.

Commodity Charge:

The monthly rate per therm of gas used will be set equal to the estimated average commodity cost of gas received by Public Service adjusted to include: (a) the effect of losses estimated to be 1.5 percent, (b) the Manufactured Gas Plant Remediation Component of Societal Benefits Charge, (c) a fixed margin of 4.5 cents per therm for the first 600,000 therms used in each month and 3.5 cents per therm in excess of 600,000 therms used in each month, and (d) applicable taxes.

The estimated average commodity cost of gas received by Public Service will be adjusted to include 50 percent of pipeline demand charges upon the effectiveness of pipeline Order 636 compliance tariffs which adopt FERC's SFV method.

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

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80 Park Plaza, Newark, New Jersey 07101

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

New Jersey Sales and Use Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Transitional Energy Facility Assessment (Expires on January 1, 2003)

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), a temporary Transitional Energy Facilities Assessment (TEFA) as shown on Sheet No. 42 has been included in the per therm charges applicable under this rate schedule.

Other Charges:

See Special Provisions (d), (r), (s), (t), (u), and (v).

MINIMUM CHARGE:

The monthly minimum charge shall be \$100.00 (\$106.00 including SUT).

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in therms per hundred cubic feet which appears on every bill.

The "therms 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 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:

Interruptible service will be furnished, when and where available, under the following conditions:

- (a) Public Service has available capacity to provide such service.
- (b) Customer must certify that qualifying status has been granted by the Federal Energy Regulatory Commission and will be required to sign an Application for Cogeneration Interruptible Gas Service. Service will be restricted to the maximum annual and hourly requirements, and the location and equipment specified in the Application. 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 the Application.

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

- (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), the Commodity Charge shall be \$1.00 (\$1.06 including SUT) per therm for an amount equal to 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 (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 supply 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 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, Extension of Distribution Mains of the Standard Terms and Conditions of this Tariff.

- (e) Metering shall include a recording device, furnished by Public Service. Customer shall furnish an electrical supply for the operation of the recording device.
- (f) Upon request by Public Service on any day, customer shall furnish an estimate of the amount of gas to be taken under this rate schedule during the next 24-hour period.
- (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.

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

- (h) 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 (m).
- (i) Public Service shall not be liable in any way for any failure in whole or in part, temporary or permanent, to deliver gas under this rate schedule.
- (j) When customer is temporarily prevented from receiving service during any month by reason of any act of God, accident, strike, or work stoppage, legal process, governmental interference, or compliance with any governmental order, Public Service at its discretion may, upon customer's written request, prorate the Minimum Charge to the number of full days customer was able to receive service.
- (k) Public Service agrees that service under this rate schedule will not be interrupted unless service to the Rate Schedule ISG No. 6 alternate fuel customers have already been interrupted.
- (l) 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.
- (m) Gas supplied in excess of the quantity described in Special Provision (l) will be billed under an applicable rate schedule as determined by Public Service except as specified under Special Provision (d).
- (n) Net cogenerated electric generation fueled by natural gas will be determined each month as follows:
 - (n-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.
 - (n-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 (l) prorated by the number of hours or days that the customer used gas.

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80 Park Plaza, Newark, New Jersey 07101

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

- (o) 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 (n-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.
- (p) Customer is required to file a monthly report to Public Service containing the total amount of kilowatt-hours produced by the cogeneration facility.
- (q) Service under this rate schedule is not available for resale.
- (r) **Experimental Cogeneration Service:** Gas service under this Special Provision is limited to customers having commitments for service from Public Service under this experimental program as of September 24, 1985. When Experimental Cogeneration Service is supplied, the following provisions shall apply:
 - (r-1) In lieu of the Commodity Charge calculation hereinbefore set forth, the fixed contribution in any month shall be 1 cent per therm.
 - (r-2) In lieu of the term hereinbefore set forth, the term shall be two years, except Qualifying Facilities which have made substantial investments in cogeneration facilities, including but not limited to the purchase of a diesel engine or gas turbine with associated waste heat boiler equipment or a steam turbine, installed specifically to receive service under this Special Provision, shall have the option to renew service at the same service location for such facilities through August 22, 1994.
- (s) **Extended Gas Service (Available to April 1, 1997):** Gas service under this Special Provision is limited to customers having an executed application for this Special Provision. 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:
 - (s-1) In lieu of the Commodity Charge calculation 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 cents (10.6 cents including SUT) per therm and a ceiling price of 18 cents (19.1 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 or the highest cost gas purchased or used by Public Service when service under this Special Provision is offered, whichever is the incremental gas source.

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80 Park Plaza, Newark, New Jersey 07101

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RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE
(continued)

- (s-2) An application 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 \$0.15 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 (d). 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 shall be paid by each customer.
- (s-3) Customer will be notified of the Commodity Charge at least eight hours prior to the availability of this service, or prior to a change in the Commodity Charge, by fax machine. Following receipt of Public Service's notice, the customer will have two hours within which to fax to Public Service his acceptance of the Commodity 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 Commodity 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 (d).
- (t) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
- (t-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- (t-2) Cogenerators in operation, or which have 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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**RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE
(continued)**

- (t-3) 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.
- (t-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (u) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
 - (u-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (u-2) Cogenerators in operation, or which have 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.
 - (u-3) 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.
 - (u-4) Agencies or instrumentalities of the federal government.
 - (u-5) International organizations of which the United States of America is a member.
 - (u-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (v) **Transitional Energy Facility Assessment:** The energy tax reform statute exempts the following customers from the Transitional Energy Facility Assessment (TEFA), and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the amount of the TEFA included therein:
 - (v-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.

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80 Park Plaza, Newark, New Jersey 07101

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

- (v-2) Cogenerators in operation, or which have 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.
- (v-3) 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.
- (v-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff, except Section 7.6, Appliance Adjustments and Section 8.8, Proration of Monthly Charges.

Date of Issue: October 10, 2000

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 87

**RATE SCHEDULE CEG
COGENERATION EXTENDED SERVICE**

APPLICABLE TO USE OF 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. The 1.5 megawatt limitation shall not apply to customer's Qualifying Facilities receiving service under Rate Schedule CIG prior to January 1, 1993.

CHARACTER OF SERVICE:

Interruptible.

RATE:

Service Charge:

\$100.00 in each month [\$106.00 including New Jersey Sales and Use Tax (SUT)].

RATE (for exempt Cogeneration Facilities in service prior to March 10, 1997):

Service Charge:

\$100.00 in each month.

Commodity Charge:

The monthly rate per therm of gas used will be set equal to the estimated average commodity cost of gas received by Public Service adjusted to include: (a) the effect of losses estimated to be 1.5 percent, (b) the Manufactured Gas Plant Remediation Component of Societal Benefits Charge, (c) a fixed margin of 4.5 cents per therm for the first 600,000 therms used in each month and 3.5 cents per therm in excess of 600,000 therms used in each month, and (d) applicable taxes.

The estimated average commodity cost of gas received by Public Service will be adjusted to include 50 percent of pipeline demand charges upon the effectiveness of pipeline Order 636 compliance tariffs which adopt FERC's SFV method.

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE CEG
COGENERATION EXTENDED SERVICE
(continued)**

New Jersey Sales and Use Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Transitional Energy Facility Assessment (Expires on January 1, 2003):

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), a temporary Transitional Energy Facilities Assessment (TEFA) as shown on Sheet No. 42 has been included in the per therm charges applicable under this rate schedule.

Other Charges:

See Special Provisions (d), (r), (s), (t), and (u).

MINIMUM CHARGE:

The monthly minimum charge shall be \$100.00 (\$106.00 including SUT).

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in therms per hundred cubic feet which appears on every bill.

The "therms 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 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:

Two years and thereafter until terminated by six months' notice.

SPECIAL PROVISIONS:

Interruptible service will be furnished, when and where available, under the following conditions:

- (a) Public Service has available capacity to provide such service.
- (b) Customer must certify that qualifying status has been granted by the Federal Energy Regulatory Commission and will be required to sign an Application for Cogeneration Extended Gas Service. Service will be restricted to the maximum annual and hourly requirements, and the location and equipment specified in the Application. 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 the Application.

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**RATE SCHEDULE CEG
COGENERATION EXTENDED SERVICE
(continued)**

- (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), the Commodity Charge shall be \$1.00 (\$1.06 including SUT) per therm for an amount equal to 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 (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 supply 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 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, Extension of Distribution Mains of the Standard Terms and Conditions of this Tariff.

- (e) Metering shall include a recording device, furnished by Public Service. Customer shall furnish an electrical supply for the operation of the recording device.
- (f) Upon request by Public Service on any day, customer shall furnish an estimate of the amount of gas to be taken under this rate schedule during the next 24-hour period.
- (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.

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**RATE SCHEDULE CEG
COGENERATION EXTENDED SERVICE
(continued)**

- (h) 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 (m).
- (i) Public Service shall not be liable in any way for any failure in whole or in part, temporary or permanent, to deliver gas under this rate schedule.
- (j) When customer is temporarily prevented from receiving service during any month by reason of any act of God, accident, strike, or work stoppage, legal process, governmental interference, or compliance with any governmental order, Public Service at its discretion may, upon customer's written request, prorate the Minimum Charge to the number of full days customer was able to receive service.
- (k) Public Service agrees that service under this rate schedule will not be interrupted unless service to the Rate Schedule ISG No. 6 alternate fuel customers and Rate Schedule CIG customers have already been interrupted.
- (l) 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.
- (m) Gas supplied in excess of the quantity described in Special Provision (l) will be billed under an applicable rate schedule as determined by Public Service except as specified under Special Provision (d).
- (n) Net cogenerated electric generation fueled by natural gas will be determined each month as follows:
 - (n-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.
 - (n-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 (l) prorated by the number of hours or days that the customer used gas.

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**RATE SCHEDULE CEG
COGENERATION EXTENDED SERVICE
(continued)**

- (o) 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 (n-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.
- (p) Customer is required to file a monthly report to Public Service containing the total amount of kilowatt-hours produced by the cogeneration facility.
- (q) Service under this rate schedule is not available for resale.
- (r) **Extended Gas Service:** Gas service under this Special Provision is limited to customers having an executed application for this Special Provision. 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:
- (r-1) In lieu of the Commodity Charge calculation 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 cents (10.6 cents including SUT) per therm and a ceiling price of 18 cents (19.1cents 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 or the highest cost gas purchased or used by Public Service when service under this Special Provision is offered, whichever is the incremental gas source. Charges for SUT are not applicable to customers that are exempt from SUT pursuant to Special Provision (t).
- (r-2) An application 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 \$0.15 (\$0.16 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 (d). 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 (\$848.00 including SUT) shall be paid by each customer. Charges for SUT are not applicable to customers that are exempt from SUT pursuant to Special Provision (t).

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RATE SCHEDULE CEG
COGENERATION EXTENDED SERVICE
(continued)

- (r-3) Customer will be notified of the Extended Gas Commodity Charge at least eight hours prior to the availability of this service, or prior to a change in the Extended Gas Commodity Charge, by fax machine. Following receipt of Public Service's notice, the customer will have two hours within which to fax to Public Service his acceptance of the Extended Gas Commodity 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 Commodity 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 (d).
- (s) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
- (s-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- (s-2) Cogenerators in operation, or which have 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.
- (s-3) 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.
- (s-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (t) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
- (t-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.

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**RATE SCHEDULE CEG
COGENERATION EXTENDED SERVICE
(continued)**

- (t-2) Cogenerators in operation, or which have 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.
- (t-3) 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.
- (t-4) Agencies or instrumentalities of the federal government.
- (t-5) International organizations of which the United States of America is a member.
- (t-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (u) **Transitional Energy Facility Assessment:** The energy tax reform statute exempts the following customers from the Transitional Energy Facility Assessment (TEFA), and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the amount of the TEFA included therein:
 - (u-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (u-2) Cogenerators in operation, or which have 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.
 - (u-3) 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.
 - (u-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff, except Section 7.6, Appliance Adjustments and Section 8.8, Proration of Monthly Charges.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

**Original Sheet No. 94
Original Sheet No. 95**

RESERVED FOR FUTURE USE

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**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 has been made prior to December 1, 1994.

APPLICABLE TO USE OF SERVICE FOR:

Where the maximum requirement for firm gas is not less than 150 therms per hour, where the customer has the installed capability to utilize an alternate type of fuel, except as provided for in Special Provision (a), and where the customer's qualified seller 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.

CHARACTER OF SERVICE:

Firm transportation subject to Public Service's available capacity to provide such service.

RATE:

Service Charge:

\$375.00 in each month [\$397.50 including New Jersey Sales and Use Tax (SUT)].

Demand Charge in the months of November through March:

<u>Charges</u>	<u>Charges</u>	
\$1.14¢	Including SUT	
	\$1.21	per therm of maximum winter month average daily usage.

Demand Charge in the months of April through October:

\$0.00 per therm of maximum winter month average daily usage

Transportation Charge:

<u>Charges</u>	<u>Charges</u>	
6.3171¢	Including SUT	
	6.6961¢	per therm of maximum winter month average daily usage.

Public Service may reduce the transportation charge at the beginning of the month and/or during the month to reflect market conditions. These charges do not apply to gas sold to customer by Public Service pursuant to Special Provisions (d).

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Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07101

Filed pursuant to Order of Board of Public Utilities dated October 2, 2000
in Docket No. GO00020088

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 97

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

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

New Jersey Sales and Use Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Transitional Energy Facility Assessment (Expires on January 1, 2003)

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), a temporary Transitional Energy Facilities Assessment (TEFA) as shown on Sheet No. 42 has been included in the per therm charges applicable under this rate schedule.

Other Charges:

See Special Provisions (b), (d), (g), (m), (n), (p), (q), and (r).

MINIMUM CHARGE:

The monthly minimum charge shall be \$375.00 (\$397.50 including SUT).

DETERMINATION OF DEMANDS:

The customer's winter month average daily usage shall be determined for each billing month during the period of November through March by dividing billed therms, used by the customer, by the actual number of days in the month that Transportation Service was available to the customer. Months of fewer than ten non-interrupted days would be excluded from the demand determination. The customer's maximum winter month average daily usage shall be the highest winter month average daily usage calculated for the current month and all winter months occurring during the preceding 11 months.

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80 Park Plaza, Newark, New Jersey 07101

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

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in therms per hundred cubic feet which appears on every bill.

The "therms 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:

A minimum of one year from the commencement date specified in the Application for Firm Transportation Gas Service required by Special Provision (a). The term may be extended by agreement between customer and Public Service.

SPECIAL PROVISIONS:

- (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 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 application. 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 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. TSG-F customers who received a waiver of the dual-fuel requirement during the winter period of 1995-1996 may continue to receive the dual-fuel waiver, provided that they have continuously taken service under this rate schedule since that time period.

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80 Park Plaza, Newark, New Jersey 07101

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

- (b) In order to be eligible to receive deliveries pursuant to this rate schedule, it is necessary that the customer has contracted with a qualified seller to arrange for deliveries to Public Service for subsequent redelivery to the customer and such seller agrees to abide by the terms of Rate Schedule FT-S. The customer is required to notify Public Service of its seller prior to the twentieth (20th) day of the month for deliveries to commence on the first (1st) day of the next month, and such selection shall remain in effect for the entire month.

The customer may act as the seller of gas for his account under Rate Schedule TSG-F. In addition, a customer is limited to one (1) seller of gas for each account for which the customer receives transportation service.

Customer shall pay an initial administrative charge of \$100 (\$106 including SUT) upon selection of a seller. Customer can change sellers effective only on the first day of the month. For every other seller nominated by customer during subsequent months, or to return to sales service, customer shall pay an administrative fee to Public Service of \$100 (\$106 including SUT).

- (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. Public Service will not interrupt service to customer with respect to quantities of gas being delivered to Public Service on behalf of customer on any day unless operating limitations on Public Service's system preclude the delivery of such gas to customer.
- (d) If customer does not discontinue the use of gas after notification pursuant to Special Provision (c), customer shall be charged \$1.00 (\$1.06 including SUT) per therm for an amount equal to 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 in excess of the number of the therms of gas delivered to Public Service on behalf of the customer during each day of any interruption period. 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 (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.

- (e) Upon the expiration of the service agreement, customer's eligibility to receive gas sales service shall be limited to Public Service's Rate Schedule Market Price Gas Service.

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80 Park Plaza, Newark, New Jersey 07101

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

- (f) Customer or customer's agent shall: make the arrangements necessary; obtain from appropriate regulating bodies any approvals necessary; prepare any reports or other filings which any regulatory body may require; and be responsible for all 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.
- (g) Customer will be required to make payment toward all the investment in facilities which Public Service installs to provide service under this rate schedule. Public Service will refund one-half of the TSG-F charge less applicable taxes, annually, up to an eight-year period, not to exceed the cost of investment. The making of a payment shall not give the customer any interest in the facilities, the ownership being vested exclusively in Public Service.
- (h) Metering shall include a recording device, furnished by Public Service. Customer shall furnish an electrical supply for the operation of the recording device.
- (i) 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.
- (j) 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.
- (k) Public Service shall not be liable in any way for any failure in whole or in part, temporary or permanent, to deliver gas under this rate schedule.
- (l) Service under this rate schedule is not available for resale.
- (m) Public Service may, at its sole option, sell gas to customers who have made a request for such purchases due to emergency conditions that exist at their facility. The rate per therm for this emergency sales service will be the applicable rate established by Public Service at the time of such sale which rate shall be no higher than a rate equal to the current cost per gallon of propane delivered to Public Service, multiplied by 1.1 plus a charge of up to 18.1 cents (19.1 cents including SUT) plus all applicable taxes and surcharges.
- (n) 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.

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80 Park Plaza, Newark, New Jersey 07101

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RATE SCHEDULE TSG-F
FIRM TRANSPORTATION GAS SERVICE
(continued)

Service to qualifying cogeneration facility as set forth above is exempt from taxes as set forth below in Special Provisions (p), (q), and (r).

- (o) 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 shall be deemed to be in control and possession of the gas until it is redelivered to customer at customer's meter. Customer shall have no responsibility, unless otherwise specified herein, with respect to any gas deliverable by Public Service or on account of anything which may be done, happen or arise with respect to such gas until Public Service redelivers such gas to customer at customer's meter. If, however, customer, its employees, agents, or servants actually come into possession of the gas or in contact with Public Service's distribution system prior to gas being redelivered to customer, this provision shall not apply.

Public Service shall have no responsibility with respect to such gas before customer delivers such gas to Public Service or after Public Service redelivers such gas to customer at the customer's meter, or on account of anything which may be done, happen or arise with respect to such gas before such delivery or after such redelivery.

- (p) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
- (p-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (p-2) Cogenerators in operation, or which have 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.
 - (p-3) 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.
 - (p-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (q) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
- (q-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.

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80 Park Plaza, Newark, New Jersey 07101

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

- (q-2) Cogenerators in operation, or which have 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.
- (q-3) 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.
- (q-4) Agencies or instrumentalities of the federal government.
- (q-5) International organizations of which the United States of America is a member.
- (q-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (r) **Transitional Energy Facility Assessment:** The energy tax reform statute exempts the following customers from the Transitional Energy Facility Assessment (TEFA), and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the amount of the TEFA included therein:
 - (r-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (r-2) Cogenerators in operation, or which have 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.
 - (r-3) 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.
 - (r-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff, except Section 7.6, Appliance Adjustments and Section 8.8, Proration of Monthly Charges.

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 103

RESERVED FOR FUTURE USE

Date of Issue: August 8, 2000

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80 Park Plaza, Newark, New Jersey 07101

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in Docket No. GO99030124

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

APPLICABLE TO USE OF SERVICE FOR:

General purposes where the maximum requirement for interruptible gas is not less than 150 therms per hour, where the customer has the installed capability to utilize an alternate type of fuel, except as provided for in Special Provision (a), and where the customer's qualified seller and/or its agent has arranged for 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.

CHARACTER OF SERVICE:

Interruptible transportation.

RATE:

Service Charge:

\$375.00 in each month [\$397.50 including New Jersey Sales and Use Tax (SUT)].

Transportation Charge:

	<u>Charge</u>	<u>Charge</u>	
	6.3160¢	6.6950¢	per therm for the first 50,000 therms transported in each month.
	6.3160¢	6.6950¢	per therm in excess of 50,000 therms transported in each month.

Public Service may reduce the transportation 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 Provisions (d) and (f).

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

New Jersey Sales and Use Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

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80 Park Plaza, Newark, New Jersey 07101

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

Transitional Energy Facility Assessment (Expires on January 1, 2003)

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), a temporary Transitional Energy Facilities Assessment (TEFA) as shown on Sheet No. 42 has been included in the per therm charges applicable under this rate schedule.

Other Charges:

See Special Provisions (b), (d), (f), (p), (q), and (r).

MINIMUM CHARGE:

The monthly minimum charge shall be \$375.00 (\$397.50 including SUT).

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in the therms per hundred cubic feet which appears on every bill.

The "therms 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:

Unless otherwise agreed upon by customer and Public Service, one year from the commencement date specified in the Application for Non-Firm Transportation Gas Service 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:

- (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 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 application. 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

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

submit, within 30 days of change in operations, a new affidavit to Public Service when such change effects 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) In order to be eligible to receive deliveries pursuant to this rate schedule, it is necessary that the customer has contracted with a qualified seller to arrange for deliveries to Public Service for subsequent redelivery to the customer and such seller agrees to abide by the terms of Rate Schedule FT-S. The customer is required to notify Public Service of its seller prior to the twentieth (20th) day of the month for deliveries to commence on the first (1st) day of the next month, and such selection shall remain in effect for the entire month.

The customer may act as the seller of gas for this account under Rate Schedule TSG-NF. In addition, a customer is limited to one (1) seller of gas for each account for which the customer receives transportation service.

Customer shall pay an initial administrative charge of \$100 (\$106 including SUT) upon selection of a seller. Customer can change sellers effective only on the first day of the month. For every other seller nominated by customer during subsequent months, or to return to sales service, customer shall pay an administrative fee to Public Service of \$100 (\$106 including SUT).

- (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 \$1.00 (\$1.06 including SUT) per therm for an amount equal to 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.

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80 Park Plaza, Newark, New Jersey 07101

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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 transportation 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, Extension of Distribution Mains of the Standard Terms and Conditions of this Tariff.

- (e) After the expiration of the service agreement, customer's eligibility to receive gas sales service shall be limited to Public Service's Rate Schedule Market Price Gas Service.
- (f) During the period of interruption, Public Service may, at its sole option, sell gas to customers who have made a request for such purchases due to emergency conditions that exist at their facility. The rate per therm for this emergency sales service will be the applicable rate established by Public Service at the time of such sale which rate shall be no higher than a rate equal to the current cost per gallon of propane delivered to Public Service, multiplied by 1.1 plus a charge of up to 18.1 cents (19.1 cents including SUT) plus all applicable taxes and surcharges.
- (g) Customer or customer's agent shall: make all the arrangements necessary; obtain from appropriate regulating bodies any approvals necessary; prepare any reports or other filings which any regulatory body may require; and be responsible for all 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.
- (h) Customer will be required to make payment toward the investment in facilities which Public Service installs to provide service under this rate schedule. Public Service will refund one-half of the TSG-NF transportation charge less applicable taxes annually, up to an eight-year period, not to exceed the cost of investment. The making of a payment shall not give the customer any interest in the facilities, the ownership being vested exclusively in Public Service.
- (i) Metering shall include a recording device, furnished by Public Service. Customer shall furnish an electrical supply for the operation of the recording device.

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

- (j) 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 this agreement.
- (k) 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.
- (l) Public Service shall not be liable in any way for any failure in whole or in part, temporary or permanent, to deliver gas under this rate schedule.
- (m) Service under this rate schedule is not available for resale.
- (n) 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 is exempt from taxes as set forth below in Special Provisions (p), (q), and (r).

- (o) 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 shall be deemed to be in control and possession of the gas until it is redelivered to customer at customer's meter. Customer shall have no responsibility, unless otherwise specified herein, with respect to any gas deliverable by Public Service or on account of anything which may be done, happen or arise with respect to such gas until Public Service redelivers such gas to customer at customer's meter. If, however, customer, its employees, agents, or servants actually come into possession of the gas or in contact with Public Service's distribution system prior to gas being redelivered to customer, this provision shall not apply.

Public Service shall have no responsibility with respect to such gas before customer delivers such gas to Public Service or after Public Service redelivers such gas to customer at the customer's meter, or on account of anything which may be done, happen or arise with respect to such gas before such delivery or after such redelivery.

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80 Park Plaza, Newark, New Jersey 07101

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

- (p) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
- (p-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (p-2) Cogenerators in operation, or which have 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.
 - (p-3) 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.
 - (p-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (q) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
- (q-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (q-2) Cogenerators in operation, or which have 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.
 - (q-3) 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.
 - (q-4) Agencies or instrumentalities of the federal government.
 - (q-5) International organizations of which the United States of America is a member.
 - (q-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

Date of Issue: October 10, 2000

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

80 Park Plaza, Newark, New Jersey 07101

Filed pursuant to Order of Board of Public Utilities dated October 2, 2000
in Docket No. GO00020088

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

- (r) **Transitional Energy Facility Assessment:** The energy tax reform statute exempts the following customers from the Transitional Energy Facility Assessment (TEFA), and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the amount of the TEFA included therein:
- (r-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (r-2) Cogenerators in operation, or which have 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.
 - (r-3) 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.
 - (r-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff, except Section 3, Extension of Distribution Mains (except as specified in Special Provision (d)), Section 5.2 Service Connection Charges, Section 7.6, Appliance Adjustments and Section 8.8, Proration of Monthly Charges.

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Issued by FRANCIS E. DELANY, Jr., Vice President and Corporate Rate Counsel
80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 111

**RATE SCHEDULE CS-UVNG
COMMODITY SERVICE – UNCOMPRESSED VEHICULAR NATURAL GAS SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm commodity service to be used as a motor vehicle fuel through customer supplied compression equipment. The New Jersey Motor Vehicle Fuels Tax is not included in the commodity charge. Customers taking service from this rate must also take service under Rate Schedule FT-UVNG.

CHARACTER OF SERVICE:

Continuous.

RATE:

Commodity Charge:

The total commodity charge per therm of gas used will be set equal to the estimated average commodity cost of gas received by Public Service including applicable taxes:

The estimated average cost of gas will be established on a level annualized basis immediately prior to October of each year for the succeeding twelve-month period. This estimated average cost 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 CS Commodity Charge filing. Interest shall be determined monthly on the cumulative under- or over-recovery average balance for the month utilizing the Company's allowed overall rate of return. This charge will apply to all therms billed each month of the succeeding twelve-month period. In the event that a major change in the average cost occurs during the twelve-month period, a revised estimated average cost will be calculated and applied for the remainder of the period in accordance with the above. Further, the Company will be permitted on a monthly basis, subject to the limits noted below, to adjust the Non-Gulf Coast Cost of Gas Component of the Commodity Charge. This monthly change will only be made if the estimated change is at least 0.5¢ per therm. Such monthly changes can only be made during the months of November through April (winter period) and are limited to 0.7¢ (including Sales and Use Tax, SUT) per therm and the total change in the rate is limited to plus or minus 3.5¢ (including SUT) per therm during the winter period.

Date of Issue: August 8, 2000

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 112

**RATE SCHEDULE CS-UVNG
COMMODITY SERVICE – UNCOMPRESSED VEHICULAR NATURAL GAS SERVICE
(continued)**

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

New Jersey Sales and Use Tax:

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Balancing Credit:

A credit of 5.552¢ (5.885¢ including SUT) per balancing therm as applied in Special Provision (h) of Rate Schedule FT-UVNG will be applied.

Other Charges:

See Special Provisions (b) and (c).

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in therms per hundred cubic feet which appears on every bill.

TERMS OF PAYMENT:

Bills are due on presentation subject to a late payment charge at the rate 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.

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80 Park Plaza, Newark, New Jersey 07101
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 113

**RATE SCHEDULE CS-UVNG
COMMODITY SERVICE – UNCOMPRESSED VEHICULAR NATURAL GAS SERVICE
(continued)**

SPECIAL PROVISIONS:

- (a) Service under this rate schedule is not available for resale except where service is for motor vehicle fuel supplied through compression equipment.
- (b) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
 - (b-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (b-2) Cogenerators in operation, or which have 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.
 - (b-3) 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.
 - (b-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 114

**RATE SCHEDULE CS-UVNG
COMMODITY SERVICE – UNCOMPRESSED VEHICULAR NATURAL GAS SERVICE
(continued)**

- (c) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
- (c-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (c-2) Cogenerators in operation, or which have 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-3) 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.
 - (c-4) Agencies or instrumentalities of the federal government.
 - (c-5) International organizations of which the United States of America is a member.
 - (c-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff.

Date of Issue: August 8, 2000

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 115

RESERVED FOR FUTURE USE

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 116

**RATE SCHEDULE FT-GS
GENERAL SERVICE FIRM TRANSPORTATION GAS SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm transportation customers for general purposes where: 1) customer does not qualify for FT-RSG and 2) customer's usage does not exceed 3,000 therms in any month, and where customer has either a current fully executed contract with a qualified seller who has agreed to the terms and conditions of Rate Schedule FT-S to purchase natural gas supplies and transport these supplies to interconnection points with Public Service's distribution system from which Public Service may receive and transport and deliver on a firm basis these gas supplies to the customer, or is supplied their gas commodity by Public Service under Rate Schedule CS-GS or MPGS.

CHARACTER OF SERVICE:

Continuous transportation subject to Public Service's available capacity to provide such service.

RATE:

Service Charge:

\$5.46 in each month [\$5.79 including New Jersey Sales and Use Tax (SUT)].

Transportation Charge:

<u>Charges</u>	<u>Charges</u>	
19.2797¢	Including SUT	
	20.4365¢	per therm

Balancing Charge:

<u>Charges</u>	<u>Charges</u>	
7.5736¢	Including SUT	
	8.0280¢	per therm of Balancing Use pursuant to Special Provision (d).

Adjustment Charges:

Charges will be made for the estimated annual average cost per therm of Public Service of costs associated with the Societal Benefits Charge and the Realignment Adjustment Charge. The estimated average cost of each charge component will be determined each succeeding annual period. The estimated average costs will be adjusted for any under- or over-recoveries together with applicable interest thereon, which may have occurred during the operation of the Company's previously approved mechanism. Interest shall be determined monthly on the cumulative under- or over-recoveries average balance for the month utilizing the seven-year constant maturity treasury rate plus 60 basis points. The applicable charge will be the total cost in cents per therm adjusted by factors to reflect applicable losses and taxes. Any net charge will apply to all therms billed each month of the succeeding annual period. In the event that a major change in the total average cost occurs during a period, a revised estimated average cost will be calculated and applied for the remainder of the period in accordance with the above.

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**RATE SCHEDULE FT-GS
GENERAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

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.

Realignment Adjustment Charge:

This charge shall recover certain fixed costs and lost revenues related to customers obtaining their gas supplies from a third party supplier.

The Societal Benefits Charge and the Realignment Adjustment Charge shall be combined for billing.

In accordance with P.L. 1997, c. 162, the foregoing Adjustment Charges (Societal Benefits Charge and Realignment Charges) include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax, as set forth within this rate schedule, shall be reduced by the amount of such tax included therein.

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

New Jersey Sales and Use Tax

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Transitional Energy Facility Assessment (Expires on January 1, 2003)

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), a temporary Transitional Energy Facilities Assessment (TEFA) as shown on Sheet No. 42 has been included in the per therm charges applicable under this rate schedule.

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 118

**RATE SCHEDULE FT-GS
GENERAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

Other Charges:

See Special Provisions (c), (d), (e), (f), (g), (i), (n), (o), (p), (q), and (r).

MINIMUM CHARGE:

The monthly minimum charge shall be \$5.46 (\$5.79 including SUT).

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in the therms per hundred cubic feet which appears on every bill.

DETERMINATION OF DAILY CONTRACT QUANTITY:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated annually by Public Service for twelve (12) months by dividing customer's weather-normalized usage 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. Customer's seller will be obligated under the terms of Rate Schedule FT-S to deliver customer's DCQ each day for the customer's account. At the end of each billing period, Public Service will calculate the difference between customer's actual usage and actual deliveries 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.

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80 Park Plaza, Newark, New Jersey 07101
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**RATE SCHEDULE FT-GS
GENERAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

SPECIAL PROVISIONS:

- (a) For customers who are supplied their gas commodity by Public Service under Rate Schedule CS-GS or MPGS, the gas commodity charge under Rate Schedule CS-GS or MPGS applies to all therms billed each month. Special Provisions (b), (c), (f), (g), (h), (k), and (m) shall not apply to customers served under Rate Schedule CS-GS or MPGS.
- (b) Customers who desire to purchase their gas supply from a qualified seller must execute a Service Agreement. The customer can effectuate the execution of this agreement by either of the following procedures:
 - (b-1) Customers may request a Firm Transportation Information Package (Package) from Public Service which in addition to providing general information regarding gas transportation, describes the process necessary for a customer to obtain a qualified seller of natural gas. Such Package will be provided to the customer at no charge. Once the customer has chosen a qualified seller, he must execute the Service Agreement contained in the Package, noting the name of the qualified seller.
 - (b-2) A qualified seller may convert a customer to firm transportation by allowing the customer to execute a Service Agreement, copies of which will be provided by Public Service to the qualified sellers. The seller will then return these executed agreements to Public Service and specific DCQ information relating to the customer will be provided to the seller pursuant to Special Provision (a) of the FT-S Rate Schedule.
- (c) In order to be eligible to receive deliveries pursuant to this rate schedule, it is necessary that the customer has contracted with a qualified seller to arrange for deliveries to Public Service for subsequent redelivery to the customer of the DCQ, and such seller agrees to abide by the provisions of Rate Schedule FT-S. The customer is required to notify Public Service of its seller of gas prior to the tenth (10th) 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 Special Provision (f). Customer can change sellers effective only on the first day of the month.

The customer's deliveries of gas by seller or volumes purchased by seller through a cashout pursuant to Rate Schedule FT-S will be confirmed by Public Service and credited towards the customer's account. The customer may act as the seller of gas for his account under Rate Schedule FT-S. In addition, a customer is limited to one (1) seller of gas for each account for which the customer receives transportation service.

**RATE SCHEDULE FT-GS
GENERAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (d) **Balancing Use:** 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 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.
- (e) **Off-Peak Use:** This separately metered gas service is applicable for cooling or dehumidification when supplied through a separate meter. The Transportation Charge for the therms used during the Off-Peak period shall be set equal to the sum of: (1) a charge for gas losses of 0.4 cents per therm which is based upon Public Service's estimated weighted average commodity cost of gas received by Public Service during the Off-Peak period adjusted by the system-wide loss factor of 1.5 percent, (2) a contribution to the CS Commodity Charge of 5 cents per therm, (3) a margin of 5.0089 cents per therm, (4) the applicable taxes related to the transportation of gas, (5) BPU assessment, (6) the Societal Benefits/Realignment Adjustment Charge and (7) additional applicable taxes.

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

- (f) **Emergency Sales Service:** In the event that, during any month the sum of the month-to-date underdeliveries from a customer's seller exceeds five (5) times the seller's Aggregate Daily Contract Quantity for the total of its firm gas transportation customers or if Public Service cannot confirm that the customer has an eligible seller, Public Service will immediately notify the customer that, for the balance of the current month the customer will be billed, in addition to all applicable charges under this rate schedule, for its applicable DCQ at a rate equal to the sum of: (1) Public Service's weighted average transportation cost including fuel, calculated at 100% load factor (WATC); (2) a gas cost equal to the highest cost of gas purchased or used by Public Service adjusted for losses (including associated storage costs, if any) during that month; (3) a charge of up to 18.1 cents (19.1 cents including SUT) per therm; and (4) all other applicable taxes and surcharges.

The affected customer is required to designate a qualified seller for the next month's service pursuant to the conditions of Special Provision (c) herein but will be permitted to provide such designation at any time prior to the date seller must nominate to its interstate pipeline transporter for deliveries to commence on the first of said month.

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 121

**RATE SCHEDULE FT-GS
GENERAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

Public Service reserves the right to request, where Public Service deems it necessary, a deposit or other guarantee satisfactory to Public Service as security for the payment of future and final bills as a condition of Emergency Sales Service. The terms of such deposit shall be as delineated in Section 2.3 of the Standard Terms and Conditions.

Emergency Sales Service will be offered at the sole discretion of Public Service, after taking into consideration its other sales obligations. Public Service reserves the right to curtail service to any customer if deliveries from customer's seller pursuant to Rate Schedule FT-S are curtailed.

If a customer is receiving Emergency Sales Service and does not wish to designate a qualified seller for future deliveries or a customer, for any reason, no longer desires to receive gas service from a qualified seller, the customer may receive gas sales service pursuant to Rate Schedule MPGS.

- (g) Upon expiration of the service agreement, Public Service shall review the status of customer's account. In the event customer's account has a negative balance, the customer will be charged the current commodity charge from Rate Schedule MPGS multiplied by each therm of imbalance. If customer's account has a positive balance, Public Service will purchase such gas at a rate equal to Public Service's weighted average transportation commodity cost including fuel (WACC) plus a gas cost equal to 90% of the NYMEX settlement price for the current month.

Upon expiration of the service agreement, FT-GS customers who were receiving their gas service from third-party sellers and desire to purchase their gas supplies from Public Service shall be eligible to do so pursuant to Public Service's Rate Schedule MPGS.

All existing FT-GS customers shall have a limited, one-time right to return to sales service pursuant to Rate Schedule CS-GS. This one-time right may only be exercised by each transportation customer within the period not greater than sixty days from the next anniversary date of their FT-GS service agreement after May 1, 1997. Upon exercise of this limited right, sales service shall commence the first day of the month immediately following the customer's election.

- (h) Customer shall: make all arrangements necessary; obtain from appropriate regulatory bodies any approvals necessary; and be responsible for all 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.

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**RATE SCHEDULE FT-GS
GENERAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (i) Where the customer has the installed capability to utilize an alternate type of fuel, the customer will be required to make payment toward all the investment in facilities which Public Service installs to provide service under this rate schedule. Public Service will refund one-half of the FT-GS Transportation Charge less applicable taxes, annually, up to an eight-year period, not to exceed the cost of investment. The making of a payment shall not give the customer any interest in the facilities, the ownership being vested exclusively in Public Service. If the customer does not have an alternate fuel, the main and service connection policy as described in Sections 3.4 and 5 of the Standard Terms and Conditions shall apply.
- (j) 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 other than FT-S, CS-GS, or MPGS, for the same equipment or for equipment supplying a common steam header during the term of the Service Agreement.
- (k) Public Service shall not be liable in any way for any failure in whole or in part, temporary or permanent, to deliver gas under this rate schedule. Public Service shall not be liable in anyway for errors in the calculation of the customer's DCQ.
- (l) Service under this rate schedule is not available for resale, except where service is for motor vehicle fuel supplied through compression equipment.
- (m) 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 shall be deemed to be in control and possession of the gas until it is delivered to customer at customer's meter. Customer shall have no responsibility, unless otherwise specified herein, with respect to any gas delivered by Public Service or on account of anything which may be done, happen or arise with respect to such gas until Public Service redelivers such gas to customer at customer's meter. If however, customer, its employees, agents, or servants actually come in possession of the gas or in contact with Public Service's distribution system prior to gas being redelivered to customer, this provision shall not apply.

Public Service shall have no responsibility with respect to such gas before customer delivers or has delivered on its behalf such gas to Public Service or after Public Service redelivers such gas to customer at customer's meter, or on account of anything which may be done, happen or arise with respect to such gas before such delivery or after such redelivery.

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**RATE SCHEDULE FT-GS
GENERAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (n) **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 is exempt from taxes as set forth below in special provisions (o), (p), and (q).

- (o) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
- (o-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (o-2) Cogenerators in operation, or which have 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.
 - (o-3) 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.
 - (o-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (p) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
- (p-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (p-2) Cogenerators in operation, or which have 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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**RATE SCHEDULE FT-GS
GENERAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (p-3) 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.
- (p-4) Agencies or instrumentalities of the federal government.
- (p-5) International organizations of which the United States of America is a member.
- (p-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (q) **Transitional Energy Facility Assessment:** The energy tax reform statute exempts the following customers from the Transitional Energy Facility Assessment (TEFA), and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the amount of the TEFA included therein:
 - (q-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (q-2) Cogenerators in operation, or which have 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.
 - (q-3) 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.
 - (q-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (r) Existing customers after July 14, 1997 who no longer wish to receive gas commodity service from Public Service, but wish to designate a qualified seller for future deliveries of gas, shall continue to be responsible for paying the TEFA unit tax rates associated with their former rate schedule(s) until the expiration of the TEFA assessment. Further, new customers, as designated by Public Service, receiving service after July 14, 1997 shall be responsible for paying the TEFA unit tax rates associated with both the "FT" Transportation and the corresponding "CS" Commodity Rate Schedule.

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff.

Date of Issue: August 8, 2000

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80 Park Plaza, Newark, New Jersey 07101

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 125

RESERVED FOR FUTURE USE

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 126

**RATE SCHEDULE FT-LV
LARGE VOLUME FIRM TRANSPORTATION GAS SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm transportation customers for general purposes where customer has either a current fully executed contract with a qualified seller who has agreed to the terms of Rate Schedule FT-S to purchase natural gas supplies and transport these supplies to interconnection points with Public Service's distribution system from which Public Service may receive and transport and deliver on a firm basis these gas supplies to the customer, or is supplied their gas commodity by Public Service under Rate Schedule CS-LV or MPGS.

CHARACTER OF SERVICE:

Continuous transportation subject to Public Service's available capacity to provide such service.

RATE:

Service Charge:

\$50.54 in each month [\$53.57 including New Jersey Sales and Use Tax (SUT)].

Demand Charge in the months of November through March:

<u>Charge</u>	<u>Charge including SUT</u>	
\$2.98	\$3.16	per therm of maximum winter month average daily usage

Transportation Charge:

<u>Charge</u>	<u>Charge including SUT</u>	
7.1577¢	7.5872¢	per therm for the first 1,000 therms used in each month.
1.6657¢	1.7656¢	per therm in excess of 1,000 therms used in each month.

Public Service may reduce the Transportation Charge for either or both blocks at any time to reflect market conditions.

Balancing Charge:

<u>Charge</u>	<u>Charge including SUT</u>	
7.5736¢	8.0280¢	per therm of Balancing Use pursuant to Special Provision (d).

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**RATE SCHEDULE FT-LV
LARGE VOLUME FIRM TRANSPORTATION GAS SERVICE
(continued)**

Adjustment Charges:

Charges will be made for the estimated annual average cost per therm of Public Service of costs associated with the Societal Benefits Charge and the Realignment Adjustment Charge. The estimated average cost of each charge component will be determined each succeeding annual period. The estimated average costs will be adjusted for any under- or over-recoveries together with applicable interest thereon, which may have occurred during the operation of the Company's previously approved mechanism. Interest shall be determined monthly on the cumulative under- or over-recoveries average balance for the month utilizing the seven-year constant maturity treasury rate plus 60 basis points. The applicable charge will be the total cost in cents per therm adjusted by factors to reflect applicable losses and taxes. Any net charge will apply to all therms billed each month of the succeeding annual period. In the event that a major change in the total average cost occurs during a period, a revised estimated average cost will be calculated and applied for the remainder of the period in accordance with the above.

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.

Realignment Adjustment Charge:

This charge shall recover certain fixed costs and lost revenues related to customers obtaining their gas supplies from a third party supplier.

The Societal Benefits Charge and the Realignment Adjustment Charge shall be combined for billing.

In accordance with P.L. 1997, c. 162, the foregoing Adjustment Charges (Societal Benefits Charge and Realignment Charges) include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax, as set forth within this rate schedule, shall be reduced by the amount of such tax included therein.

STATE OF 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 and are included in the appropriate charges applicable under this rate schedule.

New Jersey Corporation Business Tax

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Corporation Business Tax (CBT) has been included in all charges applicable under this rate schedule by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.010736.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 128

**RATE SCHEDULE FT-LV
LARGE VOLUME FIRM TRANSPORTATION GAS SERVICE
(continued)**

New Jersey Sales and Use Tax

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), provision for the New Jersey Sales and Use Tax (SUT) has been included in all charges applicable under this rate schedule by multiplying the charges that would apply before application of the SUT by the factor 1.06.

Transitional Energy Facility Assessment (Expires on January 1, 2003)

In accordance with P.L. 1997, c. 162 (the "Energy Tax Reform Statute"), a temporary Transitional Energy Facilities Assessment (TEFA) as shown on Sheet No. 42 has been included in the per therm charges applicable under this rate schedule.

Other Charges:

See Special Provisions (c), (d), (e), (g), (i), (o), (p), (q), (r), and (s).

MINIMUM CHARGE:

The monthly minimum charge shall be the total of the Service Charge and the Demand Charge.

DETERMINATION OF DEMANDS:

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

DETERMINATION OF THERMS:

The number of therms used shall be determined by multiplying the number of hundred cubic feet used by the "therms multiplier" expressed in therms per hundred cubic feet which appears on every bill.

DETERMINATION OF DAILY CONTRACT QUANTITY:

The Customer's Daily Contract Quantity (DCQ) for each month shall be calculated annually by Public Service for twelve (12) months by dividing customer's weather-normalized usage 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. Customer's seller will

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 129

**RATE SCHEDULE FT-LV
LARGE VOLUME FIRM TRANSPORTATION GAS SERVICE
(continued)**

be obligated under the terms of Rate Schedule FT-S to deliver customer's DCQ each day for the customer's account. At the end of each billing period, Public Service will calculate the difference between customer's actual usage and actual deliveries 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.

SPECIAL PROVISIONS:

- (a) For customers who are supplied their gas commodity by Public Service under Rate Schedule CS-LV or MPGS, the gas commodity charge under Rate Schedule CS-LV or MPGS applies to all therms billed each month. Special Provisions: (b), (c), (f), (g), (h), (k) and (n) shall not apply to customers served under Rate Schedules CS-LV or MPGS.
- (b) Customers who desire to purchase their gas supply from a qualified seller must execute a Service Agreement. The customer can effectuate the execution of this agreement by either of the following procedures:
 - (b-1) Customers may request a Firm Transportation Information Package (Package) from Public Service which in addition to providing general information regarding gas transportation, describes the process necessary for a customer to obtain a qualified seller of natural gas. Such Package will be provided to the customer at no charge. Once the customer has chosen a qualified seller, he must execute the Service Agreement contained in the Package, noting the name of the qualified seller. Upon request of the customer, Public Service will provide historical usage data and/or DCQ information to any number of qualified sellers at a rate of \$2.00 per page, billable to the customer.
 - (b-2) A qualified seller may convert a customer to firm transportation by allowing the customer to execute a Service Agreement, copies of which will be provided by Public Service to the qualified sellers. The seller will then return these executed agreements to Public Service and specific DCQ information relating to the customer will be provided to the seller pursuant to Special Provision (a) of the FT-S Rate Schedule.

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**RATE SCHEDULE FT-LV
LARGE VOLUME FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (c) In order to be eligible to receive deliveries pursuant to this rate schedule, it is necessary that the customer has contracted with a qualified seller to arrange for deliveries to Public Service for subsequent redelivery to the customer of the DCQ, and such seller agrees to abide by the provisions of Rate Schedule FT-S. The customer is required to notify Public Service of its seller of gas prior to the tenth (10th) 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 Special Provision (f).

The customer's deliveries of gas by seller or volumes purchased by seller through a cashout pursuant to Rate Schedule FT-S will be confirmed by Public Service and credited towards the customer's account. The customer may act as the seller of gas for his account under Rate Schedule FT-S. In addition, a customer is limited to one (1) seller of gas for each account for which the customer receives transportation service.

Customer shall pay an initial administrative charge of \$50.54 (\$53.57 including SUT) upon selection of a seller. Customer can change sellers effective only on the first day of the month. For every other seller nominated by customer during subsequent months, or to commence Emergency Sales Service, or to return to firm sales service, customer shall pay an administrative fee to Public Service of \$50.54 (\$53.57 including SUT)

- (d) **Balancing Use:** 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 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.
- (e) **Off-Peak Use for CS-LV or MPGS Customers:** This separately metered gas service is applicable for (1) building cooling or dehumidification or (2) boilers, used in whole or in part to supply the requirements of absorption air-conditioning equipment of 100 tons or more nominal capacity. The Transportation Charge for the therms used during the Off-Peak period shall be set equal to the sum of: (1) a charge for gas losses of 0.4 cents per therm which is based upon Public Service's estimated weighted average commodity cost of gas received by Public Service during the Off-Peak period adjusted by the system-wide loss factor of 1.5 percent, (2) a contribution to the CS Commodity Charge of 5 cents per therm, (3) a margin of 5.0089 cents per therm, (4) the applicable taxes related to the transportation of gas, (5) BPU assessment, (6) the Societal Benefits/Realignment Adjustment Charge and (7) additional applicable taxes.

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

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**RATE SCHEDULE FT-LV
LARGE VOLUME FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (f) **Emergency Sales Service:** In the event that, during any month the sum of the month-to-date underdeliveries from a customer's seller exceeds five (5) times the seller's Aggregate Daily Contract Quantity for the total of its firm gas transportation customers or if Public Service cannot confirm that the customer has an eligible seller, Public Service will immediately notify the customer that, for the balance of the current month the customer will be billed, in addition to all applicable charges under this rate schedule, for its applicable DCQ at a rate equal to the sum of: (1) Public Service's weighted average transportation cost including fuel, calculated at 100% load factor (WATC); (2) a gas cost equal to the highest cost of gas purchased or used by Public Service adjusted for losses (including associated storage costs, if any) during that month; (3) a charge of 18.1 cents (19.1 cents including SUT) per therm; and (4) all other applicable taxes and surcharges.

The affected customer is required to designate a qualified seller for the next month's service pursuant to the conditions of Special Provision (c) herein but will be permitted to provide such designation at any time prior to the date seller must nominate to its interstate pipeline transporter for deliveries to commence on the first of said month.

Public Service reserves the right to request, where Public Service deems it necessary, a deposit or other guarantee satisfactory to Public Service as security for the payment of future and final bills as a condition of Emergency Sales Service. The terms of such deposit shall be as delineated in Section 2.3 of the Standard Terms and Conditions.

Emergency Sales Service will be offered at the sole discretion of Public Service, after taking into consideration its other sales obligations. Public Service reserves the right to curtail service to any customer if deliveries from customer's seller pursuant to Rate Schedule FT-S are curtailed.

If a customer is receiving Emergency Sales Service and does not wish to designate a qualified seller for future deliveries or a customer, for any reason, no longer desires to receive gas service from a qualified seller, the customer may receive gas sales service pursuant to Rate Schedule MPGS.

- (g) Upon expiration of the service agreement, Public Service shall review the status of customer's account. In the event customer's account has a negative balance, the customer will be charged the current commodity charge from Rate Schedule MPGS multiplied by each therm of imbalance. If customer's account has a positive balance, Public Service will purchase such gas at a rate equal to Public Service's weighted average transportation commodity cost including fuel (WACC) plus a gas cost equal to 90% of the NYMEX settlement price for the current month.

Upon expiration of the service agreement, FT-LV customers who were receiving their gas service from third-party sellers and desire to purchase their gas supplies from Public Service shall be eligible to do so pursuant to Public Service's Rate Schedule MPGS.

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**RATE SCHEDULE FT-LV
LARGE VOLUME FIRM TRANSPORTATION GAS SERVICE
(continued)**

All existing FT-LV customers shall have a limited, one-time right to return to sales service pursuant to Rate Schedule CS-LV. This one-time right may only be exercised by each transportation customer within the period not greater than sixty days from the next anniversary date of their FT-LV service agreement after May 1, 1997. Upon exercise of this limited right, sales service shall commence the first day of the month immediately following the customer's election.

- (h) Customer shall: make all arrangements necessary; obtain from appropriate regulatory bodies any approvals necessary; and be responsible for all costs, charges and expenses including but not limited to the payment to the appropriate governmental entities for any tax or assessment relative to the acquisition, transportation or use of customer's gas supply.
- (i) Where the customer has the installed capability to utilize an alternate type of fuel, the customer will be required to make payment toward all the investment in facilities which Public Service installs to provide service under this rate schedule. Public Service will refund one-half of the FT-LV Demand and Transportation Charges less applicable taxes, annually, up to an eight-year period, not to exceed the cost of investment. The making of a payment shall not give the customer any interest in the facilities, the ownership being vested exclusively in Public Service. If the customer does not have an alternate fuel, the main and service connection policy as described in Section 3.4 and 5 of the Standard Terms and Conditions shall apply.
- (j) 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 other than FT-S, CS-LV or MPGS, for the same equipment or for equipment supplying a common steam header during the term of the Service Agreement.
- (k) Public Service shall not be liable in any way for any failure in whole or in part, temporary or permanent, to deliver gas under this rate schedule. Public Service shall not be liable in any way for errors in the calculation of the customer's DCQ.
- (l) Service under this rate schedule is not available for resale, except where service is for motor vehicle fuel supplied through compression equipment.
- (m) 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 shall be deemed to be in control and possession of the gas until it is redelivered to customer at customer's meter. Customer shall have no responsibility, unless otherwise specified herein, with respect to any gas delivered by Public Service or on account of anything which may be done, happen or arise with respect to such gas until Public Service redelivers such gas to customer at customer's meter. If, however, customer, its employees, agents, or servants actually come in possession of the gas or in contact with Public Service's distribution system prior to gas being redelivered to customer, this provision shall not apply.

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**RATE SCHEDULE FT-LV
LARGE VOLUME FIRM TRANSPORTATION GAS SERVICE
(continued)**

Public Service shall have no responsibility with respect to such gas before customer delivers or has delivered on its behalf such gas to Public Service or after Public Service redelivers such gas to customer at customer's meter, or on account of anything which may be done, happen or arise with respect to such gas before such delivery or after such redelivery.

- (n) 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.
- (o) **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 is exempt from taxes as set forth below in Special Provisions (p), (q), and (r).

- (p) **Corporation Business Tax:** The energy tax reform statute exempts the following customers from the Corporation Business Tax (CBT) provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this rate schedule shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:
 - (p-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (p-2) Cogenerators in operation, or which have 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.
 - (p-3) 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.
 - (p-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

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**RATE SCHEDULE FT-LV
LARGE VOLUME FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (q) **New Jersey Sales and Use Tax:** The energy tax reform statute exempts the following customers from the New Jersey Sales and Use Tax (SUT) provision, and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the provision for the SUT included therein:
- (q-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (q-2) Cogenerators in operation, or which have 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.
 - (q-3) 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.
 - (q-4) Agencies or instrumentalities of the federal government.
 - (q-5) International organizations of which the United States of America is a member.
 - (q-6) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").
- (r) **Transitional Energy Facility Assessment:** The energy tax reform statute exempts the following customers from the Transitional Energy Facility Assessment (TEFA), and when billed to such customers, the charges otherwise applicable under this rate schedule shall be reduced by the amount of the TEFA included therein:
- (r-1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (r-2) Cogenerators in operation, or which have 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.
 - (r-3) 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.
 - (r-4) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162 (the "Energy Tax Reform Statute").

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 12 GAS

Original Sheet No. 135

**RATE SCHEDULE FT-LV
LARGE VOLUME FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (s) Existing customers after July 14, 1997 who no longer wish to receive gas commodity service from Public Service, but wish to designate a qualified seller for future deliveries of gas, shall continue to be responsible for paying the TEFA unit tax rates associated with their former rate schedule(s) until the expiration of the TEFA assessment. Further, new customers, as designated by Public Service, receiving service after July 14, 1997 shall be responsible for paying the TEFA unit tax rates associated with both the "FT" Transportation and the corresponding "CS" Commodity Rate Schedule.

STANDARD TERMS AND CONDITIONS:

This rate schedule is subject to the Standard Terms and Conditions on Sheet Nos. 8 to 30, inclusive, of this Tariff.

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**RATE SCHEDULE FT-S
FIRM TRANSPORTATION RECEIPT SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Qualified sellers of natural gas who have contracted with customers of Public Service to deliver supplies of natural gas to interconnection points with Public Service's distribution system or customers who are acting as seller 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 FT-RSG, FT-SLG, FT-CFG, FT-UVNG, FT-GS, FT-LV, or TSG-F and on an interruptible basis to customers pursuant to Rate Schedule TSG-NF. In order for a party to qualify as a seller it must execute an Application for Service and satisfy Public Service's credit requirements, as noted herein.

Sellers agree to abide by the Board of Public Utilities' approved residential marketer standards. Public is not responsible to enforce the Board's approved residential marketer standards.

CHARACTER OF SERVICE:

Delivery of gas for subsequent delivery by Public Service to end-use customers taking service under Rate Schedules FT-RSG, FT-SLG, FT-CFG, FT-UVNG, FT-LV, FT-GS, TSG-F or TSG-NF.

CHARGES:

There are no charges for operating pursuant to this rate schedule other than those incurred under Special Provisions (d), (e), (f), (g), (h) and (i).

SPECIAL PROVISIONS:

- (a) Sellers who wish to provide gas supplies to customers served by Public Service pursuant to Rate Schedules FT-RSG, FT-SLG, FT-CFG, FT-UVNG, FT-LV, FT-GS, TSG-F or TSG-NF will be required to abide by the nomination procedures established herein.

By the twentieth (20th) of each month, for service to FT-RSG, FT-SLG, FT-CFG, FT-UVNG, FT-LV or FT-GS which is to commence on the first (1st) of the next calendar month, Public Service will provide to each seller 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 seller and have represented that they have a contractual relationship with that seller, (2) the customer's required Daily Contract Quantity (DCQ) expressed in dekatherms; and (3) the seller's Aggregate Daily Contract Quantity (ADCQ), expressed in dekatherms, equal to the sum of the DCQ's of each of the customers of that seller. Seller 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 seller's list.

By the twentieth (20th) of each month, for service to TSG-F or TSG-NF customers, which is to commence on the first (1st) of the next calendar month, Public Service will provide to each seller by electronic or other means, as specified by Public Service, a list which includes those customers who have requested to be served by that particular seller and have represented that they have a contractual relationship with that seller.

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**RATE SCHEDULE FT-S
FIRM TRANSPORTATION RECEIPT SERVICE
(continued)**

- (b) Subject to the Force Majeure provisions in Special Provision (i), seller 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 as provided to the seller pursuant to Special Provision (a) for FT-RSG, FT-SLG, FT-CFG, FT-UVNG, FT-LV and FT-GS customers and/or the daily usage of its TSG-F and TSG-NF customers pursuant to Special Provision (f). Failure to comply with this provision shall subject seller to the cashout pursuant to Special Provisions (e) and/or (f).
- (c) Seller will be required to nominate to Public Service by electronic or other means, as specified by Public Service by a date and time to be established by Public Service that will correspond with the monthly nomination dates of the interstate pipelines that serve 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. Seller shall nominate to Public Service by 12:00 noon Eastern Standard Time prior to the day gas is scheduled to flow, any changes it anticipates in gas deliveries to Public Service among interstate pipelines. As it relates to the ADCQ only, delivery changes among interstate pipelines are the only changes Public Service will accept during the month. Public Service will not be obligated to accept gas which has not been nominated in accordance with this Special Provision (c).

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.

Beginning in 1995, by July 1 of each year, Public Service will provide seller(s) notice of receipt capacity that it expects to have available at its city gate interconnections, based on existing contractual commitments, for the twelve (12) month period beginning the following November 1. Such notice will be given as both an absolute volume for each pipeline (Volume) along with a relative percentage among the pipelines (Percentage).

Seller(s) may request an allocation of receipt capacity prior to August 1 of the applicable year for service to commence on the following November 1 for a one (1) year period. Any requests received by Public Service prior to August 1 (Window Period) of each year will be treated equally for the purpose of any first-come-first-served determination. The amount of each request shall be no greater than the capacity amount required to serve the seller's committed customer load under the FT-RSG, FT-SLG, FT-CFG, FT-UVNG, FT-LV, and FT-GS Rate Schedules.

To the extent that a seller requests, during the Window-Period, an allocation of receipt capacity consistent with Public Service's Percentage allocation, Public Service will grant such request for a one (1) year period. To the extent a seller requests, during the Window Period, an allocation of receipt capacity that deviates from the Percentage, Public Service will grant for a one (1) year period, such requests within 15 days following the Window Period, up to the Volume remaining for each pipeline taking into consideration Percentage allocations already granted. Should such requests for Volume deviating from the Percentage exceed the then available receipt capacity, allocations of the remaining Volume will be awarded on a pro rata basis, based on each seller's request, which cannot exceed seller's verified customer commitments pursuant to Rate Schedule FT-RSG, FT-SLG, FT-CFG, FT-UVNG, FT-LV and/or FT-GS.

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(continued)**

Any requests by seller(s) for receipt capacity that are received after the Window Period will be treated on a first-come first-served basis and such seller(s) will receive an allocation of capacity based on the then available Volume. Public Service will, from time to time, but not more frequently than each calendar quarter, update the receipt capacity available at its city gate interconnections and provide such information to seller(s).

Seller 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 seller pursuant to this Special Provision (c).

- (d) Public Service's acceptance of a request for service under this rate schedule is contingent upon seller satisfying a credit appraisal by Public Service. Public Service shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of seller's overall financial condition. Public Service shall perform such evaluations no less frequently than once every twelve (12) months.

Upon notification by Public Service that a seller has failed to satisfy the credit criteria or subsequently during the term of the service agreement no longer satisfies the credit criteria, such seller may still obtain credit approval by Public Service if it pays any outstanding balances due Public Service for service rendered and elects to provide one of the following (collectively, "Security"): (1) an advance deposit; (2) a standby irrevocable letter of credit; (3) security interest in collateral found to be satisfactory to Public Service; or (4) a guarantee, acceptable to Public Service, by another person or entity which satisfies credit appraisal.

Such Security must initially be of an amount equal to the product of the seller's Daily Requirements and \$70. Daily Requirements is defined as the sum of the seller's maximum month ADCQs for FT-RSG, FT-SLG, FT-CFG, FT-UVNG, FT-LV and FT-GS service and the total of the maximum month average daily requirements for TSG-F and TSG-NF customers, as stated in their respective service agreements. If, at any point in time, seller's Daily Requirements decreases, seller has the option to reduce the level of the Security to the product of the new Daily Requirements and \$70. If, at any point in time, seller's currently posted level of the Security, less any outstanding obligations payable to Public Service pursuant to the provisions of this rate schedule, is less than the product of the seller's Daily Requirements and \$70, seller will be required upon no less than five (5) days notice from Public Service, to increase the level of the Security to the product of its Daily Requirements and \$70.

Interest on dollars deposited with Public Service as such Security shall be calculated in accordance with Section 2.3 of the Standard Terms and Conditions of the Company's Tariff for Gas Service.

The required level of Security in all cases must be posted no later than the twenty-fifth (25th) of the month prior to the month in which service is requested to initiate or continue. If such Security is not posted in accordance with the foregoing, then Public Service is not required to continue service. If seller is unable to maintain credit approval, the executed service agreement shall terminate as of the first day of the month following written notice to seller.

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(continued)**

- (e) On any day that seller delivers a volume other than the aggregate of the ADCQs, of its FT-RSG, FT-SLG, FT-CFG, FT-UVNG, FT-LV and FT-GS customers, the seller will be subject to a daily cashout as follows:
- (e-1) For any underdeliveries by an eligible seller or any day up to and including five (5) percent of the ADCQ, the seller will be cashed out at a rate equal to Public Service's weighted average transportation cost including fuel, calculated at 100% load factor (WATC), plus a gas cost equal to 110% of the highest weekly posting for the applicable month as published in *Inside F.E.R.C.'s Gas Market Report* on the table, "Prices of Spot Gas Delivered to Pipeline" for the Texas Eastern East Louisiana Zone. For any underdeliveries by an eligible seller greater than (5) percent of the ADCQ on any day other than on days during a Critical Period as defined below, the seller will pay a charge equal to \$10.00 per dekatherm. 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 seller greater than five (5) percent of the ADCQ during a Critical Period, the seller will pay a charge per dekatherm at a rate equal to ten times the highest price of the daily ranges for delivery in Transco Zone 6 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. In addition, Public Service has the right to recover proportionately from undelivered sellers any penalties or other charges or damages assessed on Public Service as a result of any underdeliveries by eligible sellers.
- (e-2) For any overdeliveries on any day, the seller will be cashed out at a rate equal to Public Service's weighted average transportation commodity cost including fuel (WACC) plus a gas cost equal to 90% of the lowest weekly posting for the applicable month as published in *Inside F.E.R.C.'s Gas Market Report* on the table, "Prices of Spot Gas Delivered to Pipelines" for the Texas Eastern East Louisiana Zone. Public Service at its sole discretion may refuse to accept any overdeliveries from a seller. If seller overdelivers gas at any time, the cashout volume will be treated as a purchase of gas supply by Public Service and the customers served by the seller will not have such overdeliveries credited to their account.
- (f) Seller is responsible to deliver gas to Public Service for their TSG-F and TSG-NF customers at nearly uniform rates on a daily basis. Public Service, in its sole discretion, may refuse to accept any deliveries of gas which it determines to be excess to a seller's customers' daily use. In addition, the following balancing provisions will apply.
- (f-1) During the November thru March period each qualified seller will be responsible for scheduling and delivering to Public Service the daily usage of their TSG-F and TSG-NF customers with an underdelivery tolerance of ten percent (10%) of their total daily usage.

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