

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 13 GAS

Fourth Revised Sheet No. 42A

Superseding

Third Revised Sheet No. 42A

RESERVED FOR FUTURE USE

Date of Issue: April 30, 2002

Effective: May 1, 2002

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

Filed pursuant to Order of Board of Public Utilities dated April 17, 2002
in Docket No. GM00080564

BGSS-S
BASIC GAS SUPPLY SERVICE-STANDARD
COMMODITY CHARGE APPLICABLE TO RATE SCHEDULES GSG, LVG, SLG
(Per Therm)

Estimated Non-Gulf Coast Cost of Gas Seasonal Component	8.8186 ¢
Cost of Gas Acquired to serve BGSS-S for the month	<u>34.2613 ¢</u>
Total Cost of Gas	43.0799 ¢
Total Cost of Gas after application of losses (Loss Factor = 0.5%)	43.2953 ¢
Monthly Cap Adjustment	<u>3.0000 ¢</u>
Total Monthly Commodity Charge	46.2953 ¢
Charges including New Jersey Sales and Use Tax (SUT)	49.0730 ¢

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 applicable taxes:

- a) The Estimated Non-Gulf Coast Cost of Gas Components will be established on a level winter/summer basis immediately prior to the winter season 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 previously approved 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.
- 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; plus the variable pipeline transportation cost including fuel.

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. 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.

**BGSS-S
BASIC GAS SUPPLY SERVICE-STANDARD
COMMODITY CHARGE APPLICABLE TO RATE SCHEDULES GSG, LVG, SLG
(Per Therm)**

Estimated Non-Gulf Coast Cost of Gas Seasonal Component	11.1766 ¢
Cost of Gas Acquired to serve BGSS-S for the month	<u>23.7994 ¢</u>
Total Cost of Gas	34.9760 ¢
Total Cost of Gas after application of losses (Loss Factor = 0.5%)	35.1509 ¢
Monthly Cap Adjustment.....	<u>15.1082 ¢</u>
Total Monthly Commodity Charge	50.2591 ¢
Charges including New Jersey Sales and Use Tax (SUT)	53.2746 ¢

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 applicable taxes:

- a) The Estimated Non-Gulf Coast Cost of Gas Components will be established on a level winter/summer basis immediately prior to the winter season 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 previously approved 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.
- 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; plus the variable pipeline transportation cost including fuel.

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. 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.

**BGSS-S
BASIC GAS SUPPLY SERVICE-STANDARD
COMMODITY CHARGE APPLICABLE TO RATE SCHEDULES GSG, LVG, SLG
(Per Therm)**

Estimated Non-Gulf Coast Cost of Gas Seasonal Component	11.1766 ¢
Cost of Gas Acquired to serve BGSS-S for the month	<u>19.9921 ¢</u>
Total Cost of Gas	31.1687 ¢
Total Cost of Gas after application of losses (Loss Factor = 0.5%)	31.3245 ¢
Monthly Cap Adjustment.....	<u>14.2176 ¢</u>
Total Monthly Commodity Charge	45.5421 ¢
Charges including New Jersey Sales and Use Tax (SUT)	48.2746 ¢

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 applicable taxes:

- a) The Estimated Non-Gulf Coast Cost of Gas Components will be established on a level winter/summer basis immediately prior to the winter season 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 previously approved 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.
- 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; plus the variable pipeline transportation cost including fuel.

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. 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.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 13 GAS

Original Sheet No. 42A

**BGSS-S
BASIC GAS SUPPLY SERVICE-STANDARD
COMMODITY CHARGE APPLICABLE TO RATE SCHEDULES GSG, LVG, SLG
(Per Therm)**

Estimated Non-Gulf Coast Cost of Gas Seasonal Component	11.1766 ¢
Cost of Gas Acquired to serve BGSS-S for the month	<u>26.4603 ¢</u>
Total Cost of Gas	37.6369 ¢
Total Cost of Gas after application of losses (Loss Factor = 0.5%)	37.8251 ¢
Monthly Cap Adjustment.....	<u>3.0000 ¢</u>
Total Monthly Commodity Charge	40.8251 ¢
Charges including New Jersey Sales and Use Tax (SUT)	43.2746 ¢

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 applicable taxes:

- a) The Estimated Non-Gulf Coast Cost of Gas Components will be established on a level winter/summer basis immediately prior to the winter season 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 previously approved 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.
- 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; plus the variable pipeline transportation cost including fuel.

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. 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.

Date of Issue: January 11, 2002

Effective: January 9, 2002

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

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated January 9, 2002
in Docket No. GR01050328