

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 1

TARIFF

FOR

GAS SERVICE

Applicable in

Territory served as shown on

Sheet Nos. 4 through 7 of this Tariff

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

GENERAL OFFICES

80 PARK PLAZA

NEWARK, NEW JERSEY 07101

Date of Issue: August 8, 2000

Effective: August 1, 2000

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. 2

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

Original Sheet No. 4

TERRITORY SERVED

BERGEN COUNTY

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

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

BURLINGTON COUNTY

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

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

Original Sheet No. 5

**TERRITORY SERVED
(Continued)**

BURLINGTON COUNTY (continued)

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

CAMDEN COUNTY

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

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

ESSEX COUNTY

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

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

Original Sheet No. 6

**TERRITORY SERVED
(Continued)**

GLOUCESTER COUNTY

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

HUDSON COUNTY

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

HUNTERDON COUNTY

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

MERCER COUNTY

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

MIDDLESEX COUNTY

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

MONMOUTH COUNTY

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

MORRIS COUNTY

Butler, Borough of
Chatham, Borough of
Chatham, Township of
Chester, Borough of
Chester Township of,

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

Original Sheet No. 7

**TERRITORY SERVED
(Continued)**

MORRIS COUNTY (continued)

Denville, Township of
East Hanover, Township of
Florham Park, Borough of
Hanover, Township of
Harding, Township of
Jefferson, Township of
Kinnelon, Borough of
Madison, Borough of
Mendham, Borough of
Mendham, Township of
Morris, Township of
Morris Plains, Borough of
Morristown, Town of
Parsippany-Troy Hills, Township of
Passaic, Township of
Pequannock, Township of
Randolph, Township of
Riverdale, Borough of

OCEAN COUNTY

Plumsted, Township of

PASSAIC COUNTY

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

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

SOMERSET COUNTY

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

UNION COUNTY

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

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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STANDARD TERMS AND CONDITIONS - INDEX

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Original Sheet No. 9

STANDARD TERMS AND CONDITIONS

1. GENERAL

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

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

The benefits and obligations under an application or agreement for service shall begin when Public Service makes gas service available to the customer.

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

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

2. OBTAINING SERVICE

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

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

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

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STANDARD TERMS AND CONDITIONS
(continued)

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

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

- 2.2.1. Change of Rate Schedule:** Subsequent to initial selection of a rate schedule, customer shall notify Public Service in writing of any change in his use of service which might affect the selection of a rate schedule or provision within a rate schedule. Any change in schedule or provision shall be applicable if permitted to the next regular billing subsequent to such notification.

- 2.3. Deposit and Guarantee:** Where Public Service deems it necessary, a deposit or other guarantee satisfactory to Public Service may be required as security for the payment of future and final bills before Public Service will commence or continue to render service, or perform necessary preliminary work prior to meter installation.

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

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

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

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

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STANDARD TERMS AND CONDITIONS
(continued)

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

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

- 2.4. Main Extensions:** The customer may be required to make a deposit for the extension of gas mains as set forth in Section 3 of these Standard Terms and Conditions.
- 2.5. Service Connections:** The customer may be required to make a contribution toward the cost of installing a service connection as set forth in Section 5 of these Standard Terms and Conditions.
- 2.6. Permits:** Public Service, where necessary, will make application for any street opening permits for installing its service connections and shall not be required to furnish service until after such permits are granted. The customer may be required to pay the municipal charge, if any, for permission to open the street. The customer shall obtain and present to Public Service, for recording or for registration, all instruments providing for easements or rights of way, and all permits (except street opening permits), consents, and certificates necessary for the introduction of service.
- 2.7. Temporary Service:** Where service is to be used at an installation for a limited period and such installation is not permanent in nature, the use of service shall be classified as temporary. In such cases, the customer may be required to pay to Public Service the cost of the facilities required to furnish service. The minimum period of temporary service for billing purposes shall be one month.

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

3. EXTENSION OF DISTRIBUTION MAINS

- 3.1. General:** Public Service will construct, own, and maintain distribution lines located on streets, highways, and on rights of way acquired by Public Service, used or usable as part of the distribution system of Public Service. The making of a deposit under any of the following cases shall not give the customer any interest in the facilities, the ownership being vested exclusively in Public Service.

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STANDARD TERMS AND CONDITIONS
(continued)

The following formulae shall not be binding on the parties but are suggested as a guide to customers and utilities. Parties are still free to exercise their rights under New Jersey Revised Statutes 48:2-27. When applicant for an extension is dissatisfied with these suggested extension regulations, he may petition the Board for a finding that the extension should be made without charge.

3.2. Individual Residential Customer Main Extension/Service Connection: Where the cost to Public Service for main and service extensions to serve an individual permanent residential customer does not exceed six times the estimated annual revenue less unit taxes, gas costs and related taxes and/or assessments, Public Service will make the necessary extensions upon receiving from the customer an application for service. Such application shall be made by the owner of the property or by a responsible tenant and the service requested shall not be for a limited period; unless such limited period is greater than the number of years necessary to produce, at the normal annual charge, the cost of the extension.

3.2.1. Where the cost of an extension exceeds the amount which Public Service will install without cost to a customer, in accordance with Section 3.2 and 5.2 of this Standard Terms and Conditions, the excess cost of the extensions shall be deposited and remain with Public Service.

The estimated service investment will be charged first against the allowed investment. Should the service investment exceed the allowed investment, the customer will be charged for the facilities in excess of the allowed investment in accordance with Sections 3.2 and 5.2. The estimated main extension investment, if any, is to be applied against any remaining balance after the service investment has been applied. Should the main extension investment exceed the remaining balance, the customer will be charged the excess as a deposit.

When the actual annual revenue, less unit taxes, gas costs and related taxes and/or assessments, from premises exceeds the amount of estimated annual revenue, less unit taxes, gas costs and related taxes and/or assessments, which was used as the basis for the initial deposit computation, or the basis for a previous deposit return, there shall be returned to the depositor an additional amount, equal to six times such excess plus interest, at a rate utilized for deposits per Section 2.3, calculated from the date of deposit. In no event shall more than the original deposit plus interest be returned to the depositor nor shall any part of the deposit remaining after six years from the date of the original deposit be returned. Public Service will waive the deposit required where the amount is \$100.00 or less.

3.2.2. Where the cost to Public Service for extensions to serve an individual permanent residential customer exceeds the amount which Public Service will install without cost to the customer, in accordance with Section 3.2 and 5.2 of this Standard Terms and Conditions, Public Service and the customer may agree upon an annual guarantee of revenue, net of unit taxes, gas costs and related taxes and/or assessments, not to exceed one-sixth of the total cost of the extension, in lieu of a deposit pursuant to Section 3.2.1 for a period of six years.

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STANDARD TERMS AND CONDITIONS
(continued)

- 3.3. Residential Land Developer:** Where applications for extensions into newly developed tracts of land are made by individuals, partnerships, or corporations interested in the development or sale of land, but not as ultimate residents, Public Service may require a deposit from the applicant covering the entire cost of the extension necessary to serve the tract.
- 3.3.1.** Extension deposits shall carry interest and are to be returned as hereinafter provided to the depositor when new buildings abutting on such extensions are under construction and have been framed and roofed.
- 3.3.2.** The deposit shall be returned in an amount equal to six times the estimated annual revenue, less unit taxes, gas costs and related taxes and/or assessments and less any excess service connection costs, from each such completion on said extension. If during a ten-year period from the date of the original deposit, the actual annual revenue, less unit taxes, gas costs and related taxes and/or assessments, during any year of said ten-year period, from premises exceeds the annual revenue less unit taxes, gas costs and related taxes and/or assessments, which was the basis for the previous deposit return, there shall be returned to the depositor an additional amount equal to six times such excess plus interest, at the rate utilized for deposits per Section 2.3, calculated from the date of deposit. In no event shall more than the original deposit plus interest be returned to the depositor nor shall any part of the deposit remaining after ten years from the date of the original deposit be returned.
- 3.4. Commercial and Industrial Customer Main Extension/Service Connection:** Where the cost to Public Service for main and service extensions, to serve a customer on Rate Schedules Street Lighting Firm Transportation Gas Service, Cogeneration Firm Transportation Gas Service, Cogeneration Interruptible Service, Cogeneration Extended Service, Uncompressed Vehicular Natural Gas Firm Transportation Service, General Service Firm Transportation Service (non-dual fueled) and Large Volume Firm Transportation Service (non-dual fueled) does not exceed four times the estimated annual revenue less unit taxes, gas costs and related taxes and/or assessments, Public Service will make the necessary extensions upon receiving from the customer an application for service. The main and service connection policies for all other commercial and industrial rate schedules are detailed in their specific rate schedules.
- 3.4.1.** Where the cost of extensions exceeds the amount which Public Service will install without cost to a customer, in accordance with Sections 3.4 and 5.2, the excess cost of the extension shall be deposited and remain with Public Service.

The estimated service investment will be charged first against the allowed investment. Should the service investment exceed the allowed investment, the customer will be charged for the excess facilities. The estimated main extension investment, if any, is to be applied against any remaining balance after the service investment has been applied. Should the main extension investment exceed the allowed investment, the customer will be charged the excess as a deposit.

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80 Park Plaza, Newark, New Jersey 07101

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STANDARD TERMS AND CONDITIONS
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When the actual annual revenue, less unit taxes, gas costs and related taxes and/or assessments, from premises exceeds the amount of estimated annual revenue, less unit taxes, gas costs and related taxes and/or assessments, which was used as the basis for the initial deposit computation, or the basis for a previous deposit return, there shall be returned to the depositor an additional amount, equal to four times such excess plus interest, at the rate utilized for deposits per Section 2.3, calculated from the date of deposit. In no event shall more than the original deposit plus interest be returned to the depositor nor shall any part of the deposit remaining after ten years from the date of the original deposit be returned. Public Service will waive the deposit required where the amount is \$100.00 or less.

Where it is necessary to provide additional facilities to serve increased requirements of an existing customer, and where the cost of such additional facilities exceeds four times the estimated increased in annual revenue over a predetermined base, less unit taxes, gas costs and related taxes and/or assessments, the customer will be charged the excess as a deposit, subject to refund based on a calculation similar to that outlined in the preceding paragraph.

4. CHARACTERISTICS OF SERVICE

- 4.1. Standard Service Supply:** The gas supplied may be manufactured or derived from natural sources, altered to remove impurities and to add desirable constituents. The character of the gas will be of a nature which will fulfill the requirements of the Regulations of the Board of Public Utilities.
- 4.2. Heat Measurement and Billing Units:** For billing purposes, the customer's gas use in cubic feet will be converted to therms, using the actual weighted average heating value, on a dry basis, of the gas distributed in the second preceding calendar month, where a therm is a unit of heat energy equivalent to 100,000 British Thermal Units (Btu's). Metered usage in cubic feet at standard pressure will be corrected to atmospheric pressure by application of a 1.012 multiplier. Metered usage at higher than standard pressure will be corrected to atmospheric pressure by application of appropriate multipliers.
- 4.3. Standard Pressure:** The standard pressure supplied at the meter outlet will be within the range of 4 to 7 inches water column pressure.

5. SERVICE CONNECTIONS

- 5.1. General:** The customer shall consult Public Service as to the exact point at which the service pipe will enter the building before installing interior gas piping or starting any other work dependent upon the location of the service pipe. Public Service will determine the location of the service pipe depending upon existing facilities in the street and other practical considerations.

STANDARD TERMS AND CONDITIONS
(continued)

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

The making of a payment in any of the following cases shall not give the customer any interest in the service connection, the ownership being vested exclusively in Public Service.

- 5.2. Service Connection Charges to Customers served under Rate Schedules: Residential Service Firm Transportation Gas Service, Street Lighting Firm Transportation Gas Service, Cogeneration Firm Transportation Gas Service, Cogeneration Interruptible Service, Cogeneration Extended Service, Uncompressed Vehicular Natural Gas Firm Transportation Service, General Service Firm Transportation Service (non-dual fueled) and Large Volume Firm Transportation Service (non-dual fueled):** Public Service will furnish and place, at no cost to the customer, up to 50 feet service connection, measured at right angles from the nearest curb line to the customer's building, at the point of service entrance designated by Public Service. Where the distance is in excess of 50 feet, the service pipe will be installed subject to a charge as delineated in Section 3 of these Standard Terms and Conditions. Should the customer request a service entrance at a location other than designated by Public Service, the customer shall pay the additional cost associated with said change in point of service entrance provided that the customer shall not be required to pay the first 50 feet of service connection in any case and where the distance is in excess of 50 feet, the service pipe will be installed subject to a charge as delineated in Section 3 of the Standard Terms and Conditions.
- 5.3. Change in Location of Existing Service Pipe:** Any change requested by the customer in the location of the existing service pipe, if approved by Public Service, will be made at the expense of the customer.

6. METERS AND ASSOCIATED EQUIPMENT

- 6.1. General:** A single meter will be furnished and installed by Public Service for each separately billed rate schedule under which a customer receives service. Public Service shall be consulted regarding meter locations. Meter installations shall be in conformance with "Installation of Gas Appliances and Gas Piping," issued by Public Service and available on request. Where permitted, the meter shall be located outside. If the meter cannot be located outside, the meter shall be set so it can be read from outside the building, such as through a transparent glass block or by a remote meter reading device.

When requested by a customer, remote meter reading equipment, which transmits the reading on a meter to a repeating register located on the outside of a building, may be installed, if feasible, at the expense of the customer. The payment shall not give the customer any interest in the equipment thus installed, the ownership being vested exclusively in Public Service.

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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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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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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.

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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.

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- 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.

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- 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

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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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(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.

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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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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. 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.

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
Effective: August 1, 2000
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. 26
Original Sheet No. 27
Original Sheet No. 28
Original Sheet No. 29
Original Sheet No. 30**

RESERVED FOR FUTURE USE

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. 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 ¢

Date of Issue: August 8, 2000 Effective: August 1, 2000
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in Docket No. GO99030124

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.

Date of Issue: August 8, 2000

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80 Park Plaza, Newark, New Jersey 07101

Filed pursuant to Order of Board of Public Utilities dated July 31, 2000
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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. 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>**

Date of Issue: August 8, 2000

Effective: August 1, 2000

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
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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.pseg.com/companies/pseandg/schedules/tariffs.html>**

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. 37

**COMMODITY CHARGE
APPLICABLE TO INTERRUPTIBLE SCHEDULE ISG**

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

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

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
<http://www.pseg.com/companies/pseandg/schedules/tariffs.html>**

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. 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
<http://www.pseq.com/companies/pseandg/schedules/tariffs.html>**

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
Effective: August 1, 2000
Filed pursuant to Order of Board of Public Utilities dated July 31, 2000
in Docket No. GO99030124

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 2001 for natural gas for the months of May through October 54.1940¢

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 5.0600 cents 59.2540¢
- Losses differential 59.7563¢
- A contribution differential to the CS Commodity Charge of (1) cent..... 58.7563¢
- A margin differential of (1.0112) cents..... 57.7451¢
- BPU assessment at 0.1390% 57.8255¢
- Societal Benefits/Realignment Adjustment Charge differential of (0.4438) cents 57.3817¢
- Charge including New Jersey Sales and Use Tax (SUT)..... 60.8246¢

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 2001 for natural gas for the months of May through October 54.1940¢

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 5.0600 cents 59.2540¢
- Losses differential 59.7563¢
- A contribution differential to the CS Commodity Charge of (1) cent..... 58.7563¢
- A margin differential of (0.9878) cents..... 57.7685¢
- GNR-3 TEFA at 0.0288 cents 57.7973¢
- BPU assessment at 0.1390% 57.8778¢
- Societal Benefits/Realignment Adjustment Charge differential of (0.4438) cents 57.4340¢
- Charge including SUT 60.8800¢

Date of Issue: April 20, 2001 Effective: May 1, 2001
 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 December 23, 1999
 in Docket No. GR97090672

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¢

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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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. 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

Date of Issue: August 8, 2000

Effective: August 1, 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. 43

RESERVED FOR FUTURE USE

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

**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.

Date of Issue: April 27, 2001

Effective: May 1, 2001

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 March 30, 2001
in Docket No. GR00070491

**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.

Date of Issue: August 8, 2000

Effective: August 1, 2000

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

**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.

Date of Issue: August 8, 2000

Effective: August 1, 2000

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
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 47

RESERVED FOR FUTURE USE

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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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Filed pursuant to Order of Board of Public Utilities dated July 31, 2000
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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.

Date of Issue: August 8, 2000

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80 Park Plaza, Newark, New Jersey 07101

Filed pursuant to Order of Board of Public Utilities dated July 31, 2000
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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.

Date of Issue: August 8, 2000

Effective: August 1, 2000

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

**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.

Date of Issue: August 8, 2000

Effective: August 1, 2000

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

**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.

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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. 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.

Date of Issue: August 8, 2000

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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").

Date of Issue: August 8, 2000

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80 Park Plaza, Newark, New Jersey 07101

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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.

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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Filed pursuant to Order of Board of Public Utilities dated July 31, 2000
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**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.

Date of Issue: April 27, 2001

Effective: May 1, 2001

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 March 30, 2001
in Docket No. GR00070491

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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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. 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.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 67

**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.

Date of Issue: August 8, 2000

Effective: August 1, 2000

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

**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.

Date of Issue: October 10, 2000

Effective: October 10, 2000

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 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

Effective: October 10, 2000

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 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.

Date of Issue: October 10, 2000

Effective: October 10, 2000

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 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.

Date of Issue: October 10, 2000

Effective: October 10, 2000

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 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.

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
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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

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
Effective: August 1, 2000
Filed pursuant to Order of Board of Public Utilities dated July 31, 2000
in Docket No. GO99030124

**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:

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.

Date of Issue: April 27, 2001

Effective: May 1, 2001

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 March 30, 2001
in Docket No. GR00070491

**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.

Date of Issue: August 8, 2000

Effective: August 1, 2000

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

**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.

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. 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.

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
Filed pursuant to Order of Board of Public Utilities dated July 31, 2000
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 78

RESERVED FOR FUTURE USE

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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.

Date of Issue: August 8, 2000

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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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80 Park Plaza, Newark, New Jersey 07101

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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.

Date of Issue: October 10, 2000

Effective: October 10, 2000

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 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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**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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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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**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

Effective: 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.

Date of Issue: August 8, 2000

Effective: August 1, 2000

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

**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.

Date of Issue: August 8, 2000

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80 Park Plaza, Newark, New Jersey 07101

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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.

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

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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**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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**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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**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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**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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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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**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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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 103

RESERVED FOR FUTURE USE

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**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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**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

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**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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**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

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)

- (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").

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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)**

- (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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80 Park Plaza, Newark, New Jersey 07101

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**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.

Date of Issue: April 27, 2001

Effective: May 1, 2001

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. 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.

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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in Docket No. GO99030124

**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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80 Park Plaza, Newark, New Jersey 07101

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**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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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. 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.

Date of Issue: August 8, 2000

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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)**

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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**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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**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 term 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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80 Park Plaza, Newark, New Jersey 07101

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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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80 Park Plaza, Newark, New Jersey 07101

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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.

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

Transportation Charge:

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

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

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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 terms 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.
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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.
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 - (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.
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**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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80 Park Plaza, Newark, New Jersey 07101

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

If on any day the seller delivers an amount less than ninety percent (90%) of the sum of their customers' daily usage, the seller will be cashed out and sold gas at a rate equal to \$10.00 per dekatherm for the difference between the actual deliveries and ninety percent (90%) of their total daily usage. Upon no less than eight (8) hours notice, Public Service may on any day that it determines that its gas supply condition is critical, declare such days to be a "Critical Period." During Critical Periods, the seller will be cashed out and sold gas for the difference between the actual deliveries and ninety percent (90%) of their total daily usage at 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. In both instances, the seller will be credited as if deliveries were equal to ninety percent (90%) of their customers' total daily usage.

- (f-2) During the April thru October period each qualified seller will be responsible for scheduling and delivering to Public Service the monthly usage of their TSG-F and TSG-NF customers.
- (f-3) If at the end of any month the seller's total deliveries less customers' usage is positive, Public Service shall purchase all therms in the balance in excess of the seller's customers usage at a rate per therm which is equal to 90% of the monthly average of the daily postings published in *Gas Daily* on the table "Daily Price Survey," for delivery in Transco Zone 6.

If at the end of any month the seller's total deliveries less customers' usage is negative, the seller will purchase from Public Service all therms required to bring the seller's customers account into balance at a rate which is equal to 110% of the monthly average of the daily postings published in *Gas Daily* on the table, "Daily Price Survey," for delivery in Transco Zone 6.

For purposes of evaluating customer's account as it relates to deliveries and cashout, such account will be aggregated with all other FT-RSG, FT-SLG, FT-CFG, FT-UVNG, FT-LV, and FT-GS customer's accounts who are dealing with the same seller and the seller will be billed accordingly.

- (g) Public Service will bill seller any cashout costs and these charges are due within ten (10) days of the date of Public Service's invoice. Such bills will be subject to a late payment charge at the rate of 1.416% per monthly billing period in accordance with Section 8.13 of the Standard Terms and Conditions. Further, if any seller who has been required to post Security pursuant to Special Provision (d) of this rate schedule fails to promptly pay Public Service any amounts due, Public Service will draw such amounts from seller's Security and seller must within five (5) days notice from Public Service post additional Security for any such cashout amounts drawn. If the Security is not received, seller is no longer eligible for FT-S service.

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

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

- (h) In the event that, during any month the sum of the month-to-date underdeliveries, for non Force Majeure reasons, for a particular seller exceeds three (3) times the ADCQ, Public Service will immediately notify the seller via telephone, facsimile, or similar means. If underdeliveries reach five (5) times the ADCQ, the following will occur: (1) the seller is no longer eligible for FT-S service unless and until the conditions below are satisfied, but not before the first (1st) day of the following month; and (2) for the balance of the current month, the affected seller's customers will be supplied natural gas by Public Service and will be billed for Emergency Sales Service pursuant to their rate schedules for their DCQ times the number of days remaining in the current month. Such customers will continue to be charged the Emergency Sales Service rate until FT-S service commences from an eligible seller.

In order to be reinstated as an eligible FT-S seller following an occurrence of an under-delivery event as described above, the former seller, in addition to meeting all other applicable tariff requirements must post and maintain for a one (1) year period Security in an amount equal to two (2) times that otherwise required pursuant to Special Provision (d) of this rate schedule. At the conclusion of that year and assuming no additional occurrence of an under-delivery event as described above, seller's requirement regarding maintenance of the Security will be returned to that described in Special Provision (d). If an additional under-delivery event as described above occurs during that year period, the seller will be ineligible for FT-S service for an additional one (1) year period.

- (i) Seller will be excused from delivering the required ADCQ on any given day for Force Majeure events which directly and substantially affect seller's natural gas deliveries to Public Service. For purposes of this rate schedule, a Force Majeure event will be any failure of the final pipeline delivering gas to Public Service or an upstream pipeline feeding such pipeline, with failure having been classified as a Force Majeure event pursuant to the terms of that pipeline's FERC approved tariff. A legitimate Force Majeure event that curtails seller's firm transportation service on an upstream pipeline that ultimately feeds a downstream pipeline, which directly and substantially affects a seller's natural gas deliveries to Public Service, will excuse a seller from performing pursuant to Special Provision (i) of the FT-S Rate Schedule to the extent of such curtailment. If at such time the seller is delivering gas to customers on other systems, the volume excused from performance on Public Service's system will be no more than a proportionate amount of the affected deliveries curtailed by the Force Majeure event. The seller is responsible for supplying complete information and verifiable proof of all the particulars requested by Public Service related to any such Force Majeure exclusion. The seller must have a firm, non interruptible service with the affected pipeline that is covered by the Force Majeure event and must be willing to present such agreements to Public Service.
- (j) Seller warrants that, at the time of delivery of gas to Public Service, it will have good title to deliver all gas volumes made available.

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

- (k) After seller 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. Seller 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 while such gas is in the control and possession of Public Service.

Public Service shall have no responsibility with respect to such gas before seller delivers 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.

- (l) Public Service shall in no way be liable for any errors in the calculation of the DCQ or ADCQ, nor responsible for any additional gas costs incurred by seller due to any error in the calculation of the DCQ or ADCQ.
- (m) On each day deliveries of gas by Seller to Public Service shall be first allocated to Seller's aggregated ADCQ's on such day and any remaining volume shall be allocated to Seller's TSG-NF and TSG-F customers.

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. 144
Original Sheet No. 145
Original Sheet No. 146
Original Sheet No. 147
Original Sheet No. 148**

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. 149

**RATE SCHEDULE FT-RSG
RESIDENTIAL SERVICE FIRM TRANSPORTATION GAS SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm transportation service for residential purposes 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-RSG.

CHARACTER OF SERVICE:

Continuous transportation.

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>	
18.3871¢	Including SUT	
	19.4903¢	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 (e).

Adjustment Charges:

Charges will be made for the estimated annual average cost per therm to 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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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 150

**RATE SCHEDULE FT-RSG
RESIDENTIAL SERVICE FIRM TRANSPORTATION GAS SERVICE**

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 with the transportation charge 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.

Other Charges:

See Special Provisions (e), (f), (g), (h), (m), (n) and (o).

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 151

**RATE SCHEDULE FT-RSG
RESIDENTIAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

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.

TERM:

Customer may discontinue service upon notice.

SPECIAL PROVISIONS:

- (a) This rate schedule is available when all continuous service is measured by one meter:
- (a-1) In individual residences and appurtenant outbuildings;
 - (a-2) In residential premises where customer's use of gas service for purposes other than residential is incidental to his residential use;
 - (a-3) For rooming or boarding houses where the number of rented rooms does not exceed twice the number of bedrooms occupied by the customer;

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**RATE SCHEDULE FT-RSG
RESIDENTIAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (a-4) In individual flats or apartments in multiple-family buildings;
- (a-5) In multiple-family buildings of two or more individual flats or apartments where gas service is furnished to the tenants or occupants of the flats or apartments by the owner without a specific charge for such service; and, where Special Provision (f) is applicable, the basic factors stated therein shall be multiplied by the number of individual flats or apartments, whether occupied or not.
- (b) For customers who are supplied their gas commodity by Public Service under Rate Schedule CS-RSG, the gas commodity charge under Rate Schedule CS-RSG applies to all therms billed each month. Special Provisions: (c), (d), (g), (h), (i), (j) and (l) shall not apply to customers served under Rate Schedule CS-RSG.
- (c) Customers who desire to purchase their gas supply from a qualified seller will be supplied with a Firm Transportation Information Package (Package) from Public Service which describes the process necessary for the customer to obtain a qualified seller of natural gas. Public Service will provide a copy of the Board of Public Utilities' residential transportation information package. These Packages will be provided to the customer at no charge. Once the customer has chosen a qualified seller, the customer must execute the Service Agreement contained in the Package noting the name of the qualified seller. The seller is not required to execute the Service Agreement.
- (d) 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 (g). 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.

- (e) **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.

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE FT-RSG
RESIDENTIAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (f) **Off-Peak Use:** This gas service is applicable for central air-conditioning equipment having a rated capacity of not less than two tons of refrigeration. The Transportation 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: (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 5.0103 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.

- (g) **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 (d) 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 firm 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 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 CS-RSG.

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**RATE SCHEDULE FT-RSG
RESIDENTIAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (h) 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 CS-RSG 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 the expiration of the service agreement, FT-RSG 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 CS-RSG.

- (i) Public Service shall not be responsible for: making any arrangements necessary; obtaining from appropriate regulatory bodies any approvals necessary; any costs, charges and expenses including but not limited to the payment to appropriate governmental entities for any tax or assessment relative to the acquisition, transportation or use of customer's gas supply.
- (j) 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 to the extent such failure is due to customer's seller's failure to deliver gas supplies to Public Service in accordance with the requirements of Rate Schedule FT-S. Public Service shall not be liable in anyway for errors in the calculation of the customer's DCQ.
- (k) Service under this rate schedule is not available for resale, except where service is for motor vehicle fuel supplied through compression equipment.
- (l) 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-RSG
RESIDENTIAL SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (m) **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:
- (m-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").
- (n) **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:
- (n-1) Agencies or instrumentalities of the federal government.
 - (n-2) International organizations of which the United States of America is a member.
 - (n-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").
- (o) **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:
- (o-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").

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.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 156

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. 157

**RATE SCHEDULE MPGS
MARKET PRICE GAS SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

All transportation customers, other than Rate Schedules FT-RSG, FT-SLG, FT-CFG, and FT-UVNG, who desire to purchase gas supplies from Public Service.

CHARACTER OF SERVICE:

Continuous or as agreed to by customer and Public Service.

RATE:

A market based rate including all applicable taxes to be posted by Public Service on a monthly basis. Customer specific contracts may be negotiated. In the absence of a specifically negotiated contract (which rate shall be filed with the Board for information purposes) customer shall pay the posted market based price. The foregoing rates will not exceed the applicable rate for Emergency Sales Service as defined in Rate Schedules FT-GS and FT-LV. Additionally, this rate will be subject to a floor price equal to the sum of the Non-Gulf Coast cost of Gas contained in the CS-LV rate and the cost of the gas supply acquired for these customers.

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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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 158

**RATE SCHEDULE MPGS
MARKET PRICE GAS SERVICE
(continued)**

Balancing Credit:

For transportation customers receiving service under Rate Schedules FT-GS or FT-LV as applicable, a credit of 5.552¢ (5.885¢ including SUT) per balancing therm as applied in Special Provision (d) of those rate schedules will be applied.

Other Charges:

See Special Provisions (a), (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 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:

Customer agrees to purchase such supplies for an initial term of at least one (1) year or such shorter period as designated by Public Service. Such initial term will be automatically renewed for subsequent one (1) year terms unless the customer or Public Service terminates such agreement by providing at least sixty (60) days notice prior to the termination of the initial or subsequent one (1) year terms.

SPECIAL PROVISIONS:

- (a) **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:
- (a-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.
 - (a-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 MPGS
MARKET PRICE GAS SERVICE
(continued)**

- (a-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.
- (a-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").
- (b) **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:
 - (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) Agencies or instrumentalities of the federal government.
 - (b-5) International organizations of which the United States of America is a member.
 - (b-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").
- (c) **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:
 - (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. 160

**RATE SCHEDULE MPGS
MARKET PRICE GAS 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) 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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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. 161

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 162

**RATE SCHEDULE FT-SLG
STREET LIGHTING SERVICE FIRM TRANSPORTATION GAS SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm transportation service for street lighting purposes 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-SLG.

CHARACTER OF SERVICE:

Continuous transportation.

RATE:

Monthly Charge Per Unit (Includes lamp and transportation charges):

Lamps Installed Prior to January 1, 1993:

	<u>Charges</u>	<u>Charges Including SUT</u>	
Single-mantle lamps	\$4.02	\$4.26	
Double-mantle lamps.....	(2.51)	(2.66)	
Triple-mantle lamps	10.53	11.16	on posts installed prior to October 30, 1963
Triple-mantle lamps	13.71	14.53	on posts installed on and after October 30, 1963

Lamps Installed on or after January 1, 1993:

	<u>Charges</u>	<u>Charges Including SUT</u>
Triple-mantle lamps	40.69	43.13
Gas and Maintenance only..	7.74	8.20

Balancing Charge:

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

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**RATE SCHEDULE FT-SLG
STREET LIGHTING SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

Adjustment Charges:

Charges will be made for the estimated annual average cost per therm to 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. 164

**RATE SCHEDULE FT-SLG
STREET LIGHTING SERVICE 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.

Allowance for Lamp Outages:

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

Other Charges:

See Special Provisions (c), (d), (e), (f), (k), (l), and (m).

MINIMUM CHARGE:

None

DETERMINATION OF THERMS:

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

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 multiplying the number of days in the billing month by the below listed daily usage values for each lamp type times the number of customer lamps. If the customer has multiple lamp types then the DCQ would be the sum from all lamp types calculated in the preceding manner. Public Service may adjust customer's DCQ during the year, due to changes in the number and types of customer's lamps. 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. In the event that the customer's number or types of lamps changes within a customer's monthly 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.

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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**RATE SCHEDULE FT-SLG
STREET LIGHTING SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

TERMS OF PAYMENT:

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

TERM:

Five years; written contract required.

SPECIAL PROVISIONS:

- (a) For customers who are supplied their gas commodity by Public Service under Rate Schedule CS-SLG, the gas commodity charge under Rate Schedule CS-SLG applies to all therms billed each month. Special Provisions: (b), (c), (e), (f), (g), (h) and (j) shall not apply to customers served under Rate Schedules CS-SLG.
- (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 (e). Customer can change sellers effective only on the first day of the month.

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RATE SCHEDULE FT-SLG
STREET LIGHTING SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)

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.

- (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) **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.

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 firm 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 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 CS-SLG.

Date of Issue: August 8, 2000

Effective: August 1, 2000

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

**RATE SCHEDULE FT-SLG
STREET LIGHTING SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (f) 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 CS-SLG 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 the expiration of the service agreement, FT-SLG 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 CS-SLG.

- (g) Public Service shall not be responsible for: making any arrangements necessary; obtaining from appropriate regulatory bodies any approvals necessary; any costs, charges and expenses including but not limited to the payment to appropriate governmental entities for any tax or assessment relative to the acquisition, transportation or use of customer's gas supply.
- (h) 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 to the extent such failure is due to customer's seller's failure to deliver gas supplies to Public Service in accordance with the requirements of Rate Schedule FT-S. Public Service shall not be liable in anyway for errors in the calculation of the customer's DCQ.
- (i) Service under this rate schedule is not available for resale.
- (j) 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.

Date of Issue: August 8, 2000

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80 Park Plaza, Newark, New Jersey 07101

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RATE SCHEDULE FT-SLG
STREET LIGHTING SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)

- (k) **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:
- (k-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.
 - (k-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.
 - (k-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.
 - (k-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").
- (l) **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:
- (l-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.
 - (l-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.
 - (l-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.
 - (l-4) Agencies or instrumentalities of the federal government.
 - (l-5) International organizations of which the United States of America is a member.
 - (l-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 FT-SLG
STREET LIGHTING SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (m) **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:
- (m-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.
 - (m-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.
 - (m-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.
 - (m-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.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 170

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. 171

**RATE SCHEDULE FT-CFG
COGENERATION SERVICE FIRM TRANSPORTATION GAS SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm transportation service for cogeneration purposes 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-CFG. Firm transportation service for cogeneration is 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.

CHARACTER OF SERVICE:

Continuous transportation.

RATE (for Cogeneration Facilities in service after March 10, 1997):

Service Charge:

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

Transportation Charge:

<u>Charges</u>	<u>Charges</u>	
11.3785¢	Including SUT	
	12.0612¢	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 (f).

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

Service Charge:

\$50.00 in each month

Transportation Charge:

Charge
10.9165¢ per therm

Balancing Charge:

Charge
7.5736¢ per therm of Balancing Use pursuant to Special Provision (f).

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE FT-CFG
COGENERATION SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

Adjustment Charges:

Charges will be made for the estimated annual average cost per therm to 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. 173

**RATE SCHEDULE FT-CFG
COGENERATION SERVICE 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 (e), (f), (g), (h), (m), (n), and (o).

MINIMUM CHARGE:

The monthly minimum charge shall be \$50.54 (\$53.57 including SUT) except for exempt Cogeneration facilities it shall be \$50.00.

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.

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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. 174

**RATE SCHEDULE FT-CFG
COGENERATION SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

TERMS OF PAYMENT:

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

TERM:

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

SPECIAL PROVISIONS:

- (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 Gas Service. Attached to the Application for Cogeneration Firm 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) For customers who are supplied their gas commodity by Public Service under Rate Schedule CS-CFG. The gas commodity charge under Rate Schedule CS-CFG applies to all therms billed each month. Special Provisions: (d), (e), (g), (h), (i), (j) and (l) shall not apply to customers served under Rate Schedules CS-CFG.
- (d) 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:
 - (d-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.
 - (d-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.

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE FT-CFG
COGENERATION SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (e) 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 (g). 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.

- (f) **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 terms 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.

- (g) **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 (e) 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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**RATE SCHEDULE FT-CFG
COGENERATION 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 firm 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 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 CS-CFG.

- (h) 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 CS-CFG 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 the expiration of the service agreement, FT-CFG 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 CS-CFG.

- (i) Public Service shall not be responsible for: making any arrangements necessary; obtaining from appropriate regulatory bodies any approvals necessary; any costs, charges and expenses including but not limited to the payment to appropriate governmental entities for any tax or assessment relative to the acquisition, transportation or use of customer's gas supply.
- (j) 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 to the extent such failure is due to customer's seller's failure to deliver gas supplies to Public Service in accordance with the requirements of Rate Schedule FT-S. Public Service shall not be liable in anyway for errors in the calculation of the customer's DCQ.
- (k) Service under this rate schedule is not available for resale.

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE FT-CFG
COGENERATION SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (l) 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.

- (m) **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:

(m-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.

(m-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.

(m-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.

(m-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").

- (n) **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:

(n-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 FT-CFG
COGENERATION SERVICE FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (n-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.
- (n-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.
- (n-4) Agencies or instrumentalities of the federal government.
- (n-5) International organizations of which the United States of America is a member.
- (n-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").
- (o) **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:
 - (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").

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

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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. 180

**RATE SCHEDULE FT-UVNG
FIRM TRANSPORTATION GAS SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm transportation service for motor vehicle fuel through customer supplied compression equipment 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-UVNG.

CHARACTER OF SERVICE:

Continuous transportation.

RATE:

Service Charge:

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

Transportation Charge:

<u>Charge</u>	<u>Charges Including SUT</u>	
11.0336¢ per therm	11.6956¢	per therm

The New Jersey Motor Fuels Tax is not included in the above commodity charge.

Balancing Charge:

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

Adjustment Charges:

Charges will be made for the estimated annual average cost per therm to 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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Effective: August 1, 2000

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80 Park Plaza, Newark, New Jersey 07101

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**RATE SCHEDULE FT-UVNG
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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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 182

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

Other Charges:

See Special Provisions (g), (h), (i), (j), (n), (o), and (p).

MINIMUM CHARGE:

The monthly minimum charge shall be \$50.54 (\$53.57 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.

SPECIAL PROVISIONS:

- (a) Service under this rate schedule is only available for use as a motor fuel.
- (b) Service 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 FT-UVNG
FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (c) Natural gas purchased under this rate schedule may not be injected into any storage facility other than an on-board operational motor fuel tank or an on-site storage facility.
- (d) Service under this rate schedule is not available for resale except where service is for motor vehicle fuel supplied through compression equipment.
- (e) For customers who are supplied their gas commodity by Public Service under Rate Schedule CS-UVNG, the gas commodity charge under Rate Schedule CS-UVNG applies to all therms billed each month. Special Provisions: (f), (g), (i), (j), (k), (l) and (m) shall not apply to customers served under Rate Schedules CS-UVNG.
- (f) 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:
 - (f-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.
 - (f-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.
- (g) 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 (i). 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.

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

- (h) **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.
- (i) **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 (g) 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 firm 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 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 CS-UVNG.

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

- (j) 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 CS-UVNG 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 the expiration of the service agreement, FT-UVNG 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 CS-UVNG.

- (k) Public Service shall not be responsible for: making any arrangements necessary; obtaining from appropriate regulatory bodies any approvals necessary; any costs, charges and expenses including but not limited to the payment to appropriate governmental entities for any tax or assessment relative to the acquisition, transportation or use of customer's gas supply.
- (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 to the extent such failure is due to customer's seller's failure to deliver gas supplies to Public Service in accordance with the requirements of Rate Schedule FT-S. Public Service shall not be liable in anyway for errors in the calculation of the customer's DCQ.
- (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-UVNG
FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (n) **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:
- (n-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.
 - (n-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.
 - (n-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.
 - (n-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").
- (o) **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:
- (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) Agencies or instrumentalities of the federal government.
 - (o-5) International organizations of which the United States of America is a member.
 - (o-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 FT-UVNG
FIRM TRANSPORTATION GAS SERVICE
(continued)**

- (p) **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:
- (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").

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.