



April 13, 2009

In The Matter Of The Petition Of
Public Service Electric And Gas
Company For Approval Of A Solar
Loan II Program And An
Associated Cost Recovery Mechanism

BPU Docket No. EO09030249

VIA Hand Delivery, Electronic and Regular Mail

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

Dear Secretary Izzo:

Enclosed for filing are an original and ten copies of the following attachments and schedules to the Company's March 31, 2009 Petition in the above-referenced matter:

- Attachment E - Public Notice
- Attachment F - Notice to Municipalities and Counties
- Attachment G - Typical Residential Bill Impacts
- Attachment H - Proposed Tariff Sheet
- Schedule SS-5 - Cumulative Rate Impact Analysis
- Schedule SS-6 - Program Income Statement and Balance Sheet

Respectfully submitted,
Original Signed by
Gregory Eisenstark

C Attached Service List

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
SOLAR ENERGY PROGRAM - LOAN II
BPU DOCKET NO. EO09030249**

<p>BPU Alice Bator, Bureau Chief Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-2448 FAX: (973) 648-7420 alice.bator@bpu.state.nj.us</p> <p>Mark Beyer, Chief Economist Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 693-3414 FAX: (973) 648-4410 mark.beyer@bpu.state.nj.us</p> <p>Victor Fortkiewicz, Executive Director Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-4852 FAX: (973) 648-2409 victor.fortkiewicz@bpu.state.nj.us</p> <p>Benjamin Hunter Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (____) ____-____ FAX: (____) ____-____ Benjamin.Hunter@bpu.state.nj.us</p> <p>Kristi Izzo, Secretary Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-3426 FAX: (973) 638-2409 kristi.izzo@bpu.state.nj.us</p> <p>Christine Lin Board of Public Utilities Office of the Economist Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-3407 FAX: (973) 648-4410 christine.lin@bpu.state.nj.us</p> <p>Jerome May, Director Board of Public Utilities Division of Energy Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-4950 FAX: (973) 648-7420 Jerome.may@bpu.state.nj.us</p> <p>Lance Miller, Chief of Policy Board of Public Utilities Two Gateway Center Newark, NJ 07101 PHONE: (973) 648-3175 FAX: (973) 648-4195 lance.miller@bpu.state.nj.us</p>	<p>Jacqueline O'Grady Board of Public Utilities Office of The Economist Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-3451 FAX: (973) 648-4410 jackie.ogradey@bpu.state.nj.us</p> <p>Suzanne Patnaude Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-3858 FAX: (973) 648-2209 suzanne.patnaude@bpu.state.nj.us</p> <p>Stacy Peterson Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-2143 FAX: (973) 648-7420 stacy.peterson@bpu.state.nj.us</p> <p>Nnajindu Ugoji Board of Public Utilities Division of Energy Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-2219 FAX: (973) 648-7420 naji.ugoji@bpu.state.nj.us</p> <p>Michael Winka, Manager Board of Public Utilities Office of Clean Energy Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-7270 FAX: (609) 777-3330 michael.winka@bpu.state.nj.us</p> <p>Samuel Wolfe, Chief Counsel Board of Public Utilities Two Gateway Center Newark, NJ 07102 PHONE: (973) 648-2016 FAX: (973) 648-2209 samuel.wolfe@bpu.state.nj.us</p> <p>DAG Elise Goldblat, DAG NJ Dept. of Law & Public Safety Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101 PHONE: (973) 648-3709 FAX: (973) 648-3555 elise.goldblat@dol.lps.state.nj.us</p>	<p>Jenique Jones Division of Law & Public Safety 124 Halsey St. PO Box 45029 Newark, NJ 07101 PHONE: (973) 648-7159 FAX: (973) 648-3555 jenique.jones@dol.lps.state.nj.us</p> <p>Alex Moreau, DAG NJ of Dept. Law & Public Safety Division of Law 124 Halsey Street, 5th Fl. P. O. Box 45029 Newark, NJ 07101 PHONE: (973) 648-3762 FAX: (973) 648-3555 Alex.Moreau@dol.lps.state.nj.us</p> <p>ADVOCATE Judith Appel, Esq. Department of the Public Advocate 31 Clinton St., 11th Floor P. O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 624-1047 jappel@rpa.state.nj.us</p> <p>Stefanie A. Brand, Director Dept. of The Public Advocate Division of Rate Counsel 31 Clinton Street - 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 624-1047 sbrand@rpa.state.nj.us</p> <p>Paul Flanagan, Litigation Manager Dept. of The Public Advocate Division of Rate Counsel 31 Clinton Street - 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 642-1047 pflanagan@rpa.state.nj.us</p> <p>Lisa Gurkas Department of the Public Advocate 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07102 PHONE: (973) 648-2690 FAX: (973) 624-1047 lgurkas@rpa.state.nj.us</p> <p>Kurt Lewandowski, Esq. Assistant Deputy Public Advocate Department of the Public Advocate 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 624-1047 klewando@rpa.state.nj.us</p>	<p>Susan McClure, Esq. Division of the Ratepayer Advoc: 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07102 PHONE: (973) 648-2690 FAX: (973) 624-1047 smcclure@rpa.state.nj.us</p> <p>Ami Morita Dept. of The Public Advocate Division of Rate Counsel 31 Clinton Street - 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 624-1047 amorita@rpa.state.nj.us</p> <p>Diane Schulze Dept. of The Public Advocate Division of Rate Counsel 31 Clinton Street - 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 648-2193 dschulze@rpa.state.nj.us</p> <p>Felicia Thomas-Friel, Managing Attorney - Gas Department of the Public Advoca 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07101 PHONE: (973) 648-2690 FAX: (973) 624-1047 fthomas@rpa.state.nj.us</p> <p>JCP&L Marc B. Lasky, Esq. Morgan, Lewis & Bockius LLP 89 Headquarters Plaza North Suite 1435 Morristown, NJ 07960 PHONE: (973) 993-3133 FAX: (973) 644-4157 mlasky@morganlewis.com</p> <p>Larry Sweeney JCP&L 300 Madison Avenue P. O. Box 1911 Morristown, NJ 07962-1911 PHONE: (973) 401-8697 FAX: (973) 644-4157 lsweeney@gpu.com</p> <p>MSEIA Lyle Rawlings, President Advanced Solar Products 66 Snyderstown Road Hopewell, NJ 08525 PHONE: (609) 466-4495 FAX: (____) ____-____ lyle@advancedsolarproducts.com</p>
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NJLEUC

Paul F. Forshay, Esq.
 Sutherland, Asbill & Brennan, LLP
 1275 Pennsylvania Avenue, NW
 Washington, DC 20004
 PHONE: (202) 383-0100
 FAX: (202) 637-3593
 pforshay@sablaw.com

Steven S. Goldenberg, NJLEUC, Esq.
 Fox Rothschild LLP
 Princeton Corporate Center
 997 Lenox Drive, BLDG. 3
 Lawrenceville, NJ 08648-2311
 PHONE: (609) 896-4586
 FAX: (609) 896-1469
 SGoldenberg@foxrothschild.com

NJ NATURAL GAS CO.

Anne-Marie Peracchio
 NJ Natural Gas Company
 1415 Wyckoff Road
 P.O. Box 1464
 Wall, NJ 07719
 PHONE: (732) 938-1129
 FAX: (732) 938-2620
 aperacchio@njng.com

Tracey Thayer, Esq., Director, Regulatory
 Affairs Counsel
 New Jersey Natural Gas Company
 1415 Wyckoff Road
 P.O. Box 1464
 Wall, NJ 07719
 PHONE: (732) 919-8025
 FAX: (732) 938-2620
 TThayer@NJNG.com

ROCKLAND

James C. Meyer, Esq.
 Riker, Danzig, Scherer, Hyland & Perretti
 Headquarters Plaza
 One Speedwell Avenue
 Morristown, NJ 07962
 PHONE: (973) 451-8464
 FAX: (973) 538-0800
 jmeyer@riker.com

SO. JERSEY GAS CO.

Douglas Frankenthaler
 Cozen O'Connor
 457 Haddonfield Road
 Suite 300
 Libertyview
 Cherry Hill, NJ 08002
 PHONE: (____) ____-____
 FAX: (____) ____-____
 dfrankenthaler@cozen.com

Ira G. Megdal, Esq.
 Cozen O'Connor
 457 Haddonfield Road, Suite 300
 Libertyview
 Cherry Hill, NJ 08002
 PHONE: (856) 910-5019
 FAX: (877) 259-7984
 imegdal@cozen.com

John F. Stanziola (SJG), Director,
 Regulatory Affairs
 South Jersey Gas Co.
 1 South Jersey Plaza
 PO Box 6000
 Folsom, NJ 08037
 PHONE: (609) 561-9000, X416
 FAX: (609) 561-6955
 jstanziola@sjindustries.com

OTHER PARTIES

Roger M. Schwarz, c/o RESA
 Issues Management, LLC
 100 Overlook Center
 2nd Floor
 Princeton, NJ 08540
 PHONE: (609) 252-1300
 FAX: (609) 252-0123
 rschwarz@issuesllc.com

SUNEDISON

Claire Broido
 SunEdison
 12500 Baltimore Avenue
 Beltsville, MD 20705
 PHONE: (443) 909-7240
 FAX: (443) 909-7140
 cbroido@sunedison.com

PSE&G

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

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

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

**NOTICE TO PUBLIC SERVICE ELECTRIC
AND GAS COMPANY CUSTOMERS**

**IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND
GAS COMPANY FOR APPROVAL OF A SOLAR LOAN II PROGRAM AND AN
ASSOCIATED COST RECOVERY MECHANISM**

**Notice of a Filing
And
Notice of Public Hearings**

Docket No. EO09030249

TAKE NOTICE that, on March 31, 2009 Public Service Electric and Gas Company ("Public Service", "PSE&G", "the Company") filed a Petition and supporting documentation with the New Jersey Board of Public Utilities ("Board", "BPU") in Docket Number EO09030249. The Company is seeking Board approval to implement and administer a PSE&G Solar Loan Phase II Program ("Program") and an associated cost recovery mechanism.

PSE&G seeks Board approval to implement the Solar Loan Phase II Program to offer long-term loans to qualified solar photovoltaic projects in residential and non-residential customer segments. The Program will target development of 40 to 55 MW of Solar Capacity with approximately \$206 million in loans. This Program will be modeled on the existing Solar Loan Program approved by the Board in April 2008 with modifications developed after consultation with solar industry participants, the BPU Staff, and the Division of Rate Counsel. The Program directly supports New Jersey's renewable energy initiatives as outlined in the Energy Master Plan and the carbon-reduction goals outlined in the New Jersey Global Warming Response Act.

PSE&G proposes to recover all Program costs through a separate component of the electric RGGI Recovery Charge ("RRC") entitled Solar Loan II Program. The Solar Loan II Program component will be applicable to all electric rate schedules. The component would be reviewed and modified in an annual filing. The Company is requesting that the carrying charge on its deferred balances for this Program be set based upon PSE&G's monthly weighted average cost of capital, together with the income tax effects. The proposed RRC, if approved by the Board, is shown in Table #1.

Table #2 provides customers with the approximate net effect of the proposed increase in rates relating to this Program, if approved by the Board. The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage. The approximate effect of the proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #3.

Based on the filing, a typical residential electric customer using 722 kilowatthours per summer month and 6,960 kilowatthours on an annual basis would see an initial increase in the annual bill from \$1,269.28 to \$1,269.52 or approximately 0.02%.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of the Company's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A 48:2-21 and for other good and legally sufficient reasons to any class or classes of customers of the Company. Therefore, the described charges may increase or decrease based upon the Board's decision.

Copies of the Company's filing are available for review at the Company's Customer Service Centers and at the Board of Public Utilities at Two Gateway Center, Newark, New Jersey 07102.

The following dates, times and locations for public hearings have been scheduled on the Company's filing so that members of the public may present their views.

Date 1, 2009	Date 2, 2009	Date 3, 2009
Time 1	Time 2	Time 3
Location 1	Location 2	Location 3
Location 1 Overflow	Location 2 Overflow	Location 3 Overflow
Room 1	Room 2	Room 3
Room 1 Overflow	Room 2 Overflow	Room 3 Overflow
Address 1	Address 2	Address 3
City 1, N.J. Zip 1	City 2, N.J. Zip 2	City 3, N.J. Zip 3

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings. Customers may file written comments with the Secretary of the Board

of Public Utilities at Two Gateway Center, Newark, New Jersey 07102 ATTN: Kristi Izzo whether or not they attend the public hearings.

Table # 1
RRC Charges

	Solar Loan II Component of the RRC		Total RRC	
	Present \$/kWhr (Incl. SUT)	Proposed \$/kWhr (Incl. SUT)	Present \$/kWhr (Incl. SUT)	Proposed \$/kWhr (Incl. SUT)
RRC Electric - \$ per kWhr	\$0.000000	\$0.000041	\$0.000021	\$0.000062

Table # 2
Initial Impact By Electric Customer Class

PROPOSED PERCENTAGE INCREASES BY CUSTOMER CLASS FOR ELECTRIC SERVICE		
BGS-FP	Rate Class	% Increase
Residential	RS	0.02%
Residential Heating	RHS	0.03
Residential Load Management	RLM	0.02
General Lighting & Power	GLP	0.02
Large Power & Lighting - Secondary (Peak Load Share 0 – 749)	LPL-S	0.03
Large Power & Lighting - Secondary (Peak Load Share 750 – 999)	LPL-S	0.03
BGS-CIEP		
Large Power & Lighting - Secondary (Peak Load Share 1,000+)	LPL-S	0.03
Large Power & Lighting – Primary	LPL-P	0.03
High Tension – Subtransmission	HTS-S	0.03
High Tension - High Voltage	HTS-HV	0.03

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

Table #3
Residential Electric Service

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Increase Would Be:	And Your Monthly Percent Increase Would Be:
1,800	170	\$33.16	\$33.17	\$0.01	0.03%
3,600	360	67.50	67.51	0.01	0.01
6,960	722	134.62	134.64	0.02	0.01
7,800	803	150.38	150.41	0.03	0.02
12,000	1,250	237.31	237.36	0.05	0.02

- (1) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect April 1, 2009 and assumes that the customer receives BGS-FP service from Public Service.
- (2) Same as (1) except includes the initial change for the Solar Loan II Program component of the RGGI Recovery Charge.

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**NOTICE TO PUBLIC SERVICE ELECTRIC
AND GAS COMPANY CUSTOMERS**

**IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND
GAS COMPANY FOR APPROVAL OF A SOLAR LOAN II PROGRAM AND AN
ASSOCIATED COST RECOVERY MECHANISM**

Docket No. EO09030249

TAKE NOTICE that, on March 31, 2009 Public Service Electric and Gas Company ("Public Service", "PSE&G", "the Company") filed a Petition and supporting documentation with the New Jersey Board of Public Utilities ("Board", "BPU") in Docket Number EO09030249. The Company is seeking Board approval to implement and administer a PSE&G Solar Loan Phase II Program ("Program") and an associated cost recovery mechanism.

PSE&G seeks Board approval to implement the Solar Loan Phase II Program to offer long-term loans to qualified solar photovoltaic projects in residential and non-residential customer segments. The Program will target development of 40 to 55 MW of Solar Capacity with approximately \$206 million in loans. This Program will be modeled on the existing Solar Loan Program approved by the Board in April 2008 with modifications developed after consultation with solar industry participants, the BPU Staff, and the Division of Rate Counsel. The Program directly supports New Jersey's renewable energy initiatives as outlined in the Energy Master Plan and the carbon-reduction goals outlined in the New Jersey Global Warming Response Act.

PSE&G proposes to recover all Program costs through a separate component of the electric RGI Recovery Charge ("RRC") entitled Solar Loan II Program. The Solar Loan II Program component will be applicable to all electric rate schedules. The component would be reviewed and modified in an annual filing. The Company is requesting that the carrying charge on its deferred balances for this Program be set based upon PSE&G's monthly weighted average cost of capital, together with the

income tax effects. The proposed RRC, if approved by the Board, is shown in Table #1.

Table #2 provides customers with the approximate net effect of the proposed increase in rates relating to this Program, if approved by the Board. The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage. The approximate effect of the proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #3.

Based on the filing, a typical residential electric customer using 722 kilowatthours per summer month and 6,960 kilowatthours on an annual basis would see an initial increase in the annual bill from \$1,269.28 to \$1,269.52 or approximately 0.02%.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of the Company's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A 48:2-21 and for other good and legally sufficient reasons to any class or classes of customers of the Company. Therefore, the described charges may increase or decrease based upon the Board's decision.

Copies of the Company's filing are available for review at the Company's Customer Service Centers and at the Board of Public Utilities at Two Gateway Center, Newark, New Jersey 07102.

**Table # 1
RRC Charges**

	Solar Loan II Component of the RRC		Total RRC	
	Present \$/kWhr (Incl. SUT)	Proposed \$/kWhr (Incl. SUT)	Present \$/kWhr (Incl. SUT)	Proposed \$/kWhr (Incl. SUT)
RRC Electric - \$ per kWhr	\$0.000000	\$0.000041	\$0.000021	\$0.000062

Table # 2
Initial Impact By Electric Customer Class

PROPOSED PERCENTAGE INCREASES BY CUSTOMER CLASS FOR ELECTRIC SERVICE		
BGS-FP	Rate Class	% Increase
Residential	RS	0.02%
Residential Heating	RHS	0.03
Residential Load Management	RLM	0.02
General Lighting & Power	GLP	0.02
Large Power & Lighting - Secondary (Peak Load Share 0 – 749)	LPL-S	0.03
Large Power & Lighting - Secondary (Peak Load Share 750 – 999)	LPL-S	0.03
BGS-CIEP		
Large Power & Lighting - Secondary (Peak Load Share 1,000+)	LPL-S	0.03
Large Power & Lighting – Primary	LPL-P	0.03
High Tension – Subtransmission	HTS-S	0.03
High Tension - High Voltage	HTS-HV	0.03

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

Table #3
Residential Electric Service

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Increase Would Be:	And Your Monthly Percent Increase Would Be:
1,800	170	\$33.16	\$33.17	\$0.01	0.03%
3,600	360	67.50	67.51	0.01	0.01
6,960	722	134.62	134.64	0.02	0.01
7,800	803	150.38	150.41	0.03	0.02
12,000	1,250	237.31	237.36	0.05	0.02

- (1) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect April 1, 2009 and assumes that the customer receives BGS-FP service from Public Service.
- (2) Same as (1) except includes the initial change for the Solar Loan II Program component of the RGGI Recovery Charge.

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The initial effect of the proposed change in the electric RIGGI Recovery Charge on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
170	1,800	\$347.76	\$347.88	\$0.12	0.03%
360	3,600	666.96	667.08	0.12	0.02
722	6,960	1,269.28	1,269.52	0.24	0.02
803	7,800	1,422.54	1,422.87	0.33	0.02
1,250	12,000	2,191.72	2,192.16	0.44	0.02

(1) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect April 1, 2009 and assumes that the customer receives BGS-FP service from Public Service.

(2) Same as (1) except includes the change for the Solar Loan II Program component of the RGGI Recovery Charge.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,800	170	\$33.16	\$33.17	\$0.01	0.03%
3,600	360	67.50	67.51	0.01	0.01
6,960	722	134.62	134.64	0.02	0.01
7,800	803	150.38	150.41	0.03	0.02
12,000	1,250	237.31	237.36	0.05	0.02

(3) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect April 1, 2009 and assumes that the customer receives BGS-FP service from Public Service.

(4) Same as (3) except includes the change for the Solar Loan II Program component of the RGGI Recovery Charge.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Original Sheet No. 64C

RGGI RECOVERY CHARGE

**Charge
(cents per kilowatthour)**

Component:

Carbon Abatement Program0020
Sub-total per kilowatthour0020
Charge including New Jersey Sales and Use Tax (SUT)	0.0021

RGGI RECOVERY CHARGE

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

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 64C

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

Superseding

Original Sheet No. 64C

RGGI RECOVERY CHARGE

Charge
(cents per kilowatthour)

Component:

Carbon Abatement Program 0.0020

Solar Loan II Program..... 0.0038

Sub-total per kilowatthour 0.00580-0020

| Charge including New Jersey Sales and Use Tax (SUT)..... 0.00620-0024

RGGI RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) ~~pPrograms per the Board Order in Docket No. E008030164~~. The charge will be reset nominally on an annual basis. For the Carbon Abatement Program, interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month. For the Solar Loan II Program, interest will be accrued monthly on any under- or over- recovered balances based on PSE&G Weighted Average Cost of Capital.

Date of Issue:

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

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 64C

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

Superseding

Original Sheet No. 64C

RGGI RECOVERY CHARGE

**Charge
(cents per kilowatthour)**

Component:

Carbon Abatement Program	0.0020
Solar Loan II Program	<u>0.0038</u>
Sub-total per kilowatthour	<u>0.0058</u>
Charge including New Jersey Sales and Use Tax (SUT)	0.0062

RGGI RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) programs. The charge will be reset nominally on an annual basis. For the Carbon Abatement Program, interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month. For the Solar Loan II Program, interest will be accrued monthly on any under- or over- recovered balances based on PSE&G Weighted Average Cost of Capital.

Date of Issue:

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

Effective:

PSE&G Solar Loan II Program
Cumulative Rate Impact Analysis - Solar Program Recovery Charge (SPRC) & Electric RGGI Recovery Charge (RRC)

Rate Calculations

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	<u>SPRC</u> <u>Revenue</u> <u>Requirement</u> (\$)	<u>SPRC</u> <u>Charge on</u> <u>deferred</u> <u>balance</u> (\$)	<u>SPRC</u> <u>Revenue</u> <u>Requirement</u> (\$)	<u>SPRC w/o</u> <u>SUT</u> <u>(\$/kWh)</u>	<u>SPRC</u> <u>Revenue</u> <u>(\$)</u>	<u>SPRC Balance</u> <u>EOY</u> <u>Under/(Over)</u> (\$)	<u>Electric</u> <u>Carbon</u> <u>Abatement</u> <u>Requirement</u> (\$)	<u>Electric</u> <u>Carbon</u> <u>Abatement</u> <u>Component</u> <u>w/o SUT</u> (\$/kWh)	<u>Solar Loan II</u> <u>Revenue</u> <u>Requirement</u> (\$)	<u>Solar Loan II</u> <u>w/o SUT</u> <u>Requirement</u> (\$/kWh)	<u>SPRC +</u> <u>Electric</u> <u>RRC</u> <u>w/o SUT</u> <u>(\$/kWh)</u>
2008	426,894	3,737	430,631	0.000000	0	430,631					
2009	786,315	14,781	1,231,727	0.000000	0	1,231,727	899,056	0.000020		0.000020	
2010	751,671	0	1,983,398	0.000044	(1,983,398)	0	1,351,696	0.000030	1,713,535	0.000038	
2011	600,808	0	600,808	0.000013	(600,808)	0	1,626,807	0.000036	2,292,014	0.000051	
2012	733,689	0	733,689	0.000016	(733,689)	0	2,112,074	0.000047	3,839,918	0.000086	
2013	754,752	0	754,752	0.000017	(754,752)	0	2,173,828	0.000048	3,696,637	0.000082	
2014	731,738	0	731,738	0.000016	(731,738)	0	2,150,085	0.000048	3,411,185	0.000076	
2015	654,718	0	654,718	0.000015	(654,718)	0	2,112,182	0.000047	3,304,479	0.000074	
	From Solar Rev. Req Calc	From Solar Rev. Req Calc	Col A + Col B + Prev Col E	Col C / [Annual kWh Sales] (Rnd to 6 dec.)	=Col D * [Annual kWh Sales] (See Note 2)	Col C + Col E	CA Sched SS-3 (Rev) Col 15	Col G / [Annual kWh Sales] (Rnd to 6 dec.)	Attach 7F Col 1	Col I / [Annual kWh Sales] (Rnd to 6 dec.)	Col D + Col H + Col J
	44,823,552 Annual kWh Sales (000)										

Rate Impact Analysis

7% SUT Rate

6.960 Typ RS kWh / yr.
722 Typ RS kWh / Summer Month
509 Typ RS kWh / Winter Month

0.000021 Current electric RRC (\$/kWh)

(1)	(2)	(3)	(4)	(5) Class Average Rate w/SUT - \$/kWh ¹							(15) Typical RS SPRC + RRC (\$)			(18)	(19)				
<u>SPRC w/</u> <u>SUT</u> <u>(\$/kWh)</u>	<u>Electric RRC</u> <u>w/ SUT</u> <u>(\$/kWh)</u>	<u>Electric RRC</u> <u>w/o SUT</u> <u>(\$/kWh)</u>	<u>SPRC +</u> <u>Electric</u> <u>RRC</u> <u>w/ SUT</u> <u>(\$/kWh)</u>	<u>RS</u>	<u>RHS</u>	<u>RLM</u>	<u>GLP</u>	<u>LPL-S</u> <u>(0-749)</u>	<u>LPL-S</u> <u>(750-999)</u>	<u>LPL-S</u> <u>(1,000+)</u>	<u>LPL-P</u>	<u>HTS-S</u>	<u>HTS-HV</u>	<u>Summer</u> <u>Monthly</u> <u>Bill</u>	<u>Winter</u> <u>Monthly</u> <u>Bill</u>	<u>Annual Bill</u>	<u>RS Typical</u> <u>Annual Bill</u> <u>(\$)</u>	<u>% Change</u> <u>in RS</u> <u>Typical</u> <u>Annual Bill</u>	
Current less Electric RRC (Carbon Abatement)				0.183053	0.161062	0.171588	0.176092	0.154720	0.157599	0.161942	0.152940	0.144572	0.136224			-	1,269.12		
2009	0.000000	0.000021	0.000021	0.183074	0.161083	0.171609	0.176113	0.154741	0.157620	0.161963	0.152961	0.144593	0.136245	0.02	0.01	0.16	1,269.28	0.013%	
2010	0.000047	0.000073	0.000112	0.183173	0.161182	0.171708	0.176212	0.154840	0.157719	0.162062	0.153060	0.144692	0.136344	0.08	0.06	0.80	1,269.92	0.063%	
2011	0.000014	0.000093	0.000100	0.183160	0.161169	0.171695	0.176199	0.154827	0.157706	0.162049	0.153047	0.144679	0.136331	0.08	0.06	0.80	1,269.92	0.063%	
2012	0.000017	0.000142	0.000149	0.183212	0.161221	0.171747	0.176251	0.154879	0.157758	0.162101	0.153099	0.144731	0.136383	0.11	0.08	1.08	1,270.20	0.085%	
2013	0.000018	0.000139	0.000147	0.183210	0.161219	0.171745	0.176249	0.154877	0.157756	0.162099	0.153097	0.144729	0.136381	0.11	0.08	1.08	1,270.20	0.085%	
2014	0.000017	0.000133	0.000140	0.183203	0.161212	0.171738	0.176242	0.154870	0.157749	0.162092	0.153090	0.144722	0.136374	0.11	0.08	1.08	1,270.20	0.085%	
2015	0.000016	0.000129	0.000136	0.183199	0.161208	0.171734	0.176238	0.154866	0.157745	0.162088	0.153086	0.144718	0.136370	0.10	0.08	1.04	1,270.16	0.082%	
	From Col D above * (1+SUT Rate) Rnd 6	From Col H + Col J above * (1+SUT Rate) Rnd 6	From Col K above	[Current Class Avg Rate - Cur Elec RRC] + Col 4 for Each Rate Class (Col 5 thru Col 14)											Col 1 * Sum Mo kWh Rnd 2 + Col 2 * Sum Mo kWh Rnd 2	Col 1 * Win Mo kWh Rnd 2 + Col 2 * Win Mo kWh Rnd 2	(4 * Col 15) + (8 * Col 16)	Current Col 18 + Col 17	Col 17 / Current Col 18
% Change from Current Class Average Rate w/SUT																			
				<u>RS</u>	<u>RHS</u>	<u>RLM</u>	<u>GLP</u>	<u>LPL-S</u> <u>(0-749)</u>	<u>LPL-S</u> <u>(750-999)</u>	<u>LPL-S</u> <u>(1,000+)</u>	<u>LPL-P</u>	<u>HTS-S</u>	<u>HTS-HV</u>						
2009				0.011%	0.013%	0.012%	0.012%	0.014%	0.013%	0.013%	0.014%	0.015%	0.015%						
2010				0.066%	0.075%	0.070%	0.068%	0.078%	0.076%	0.074%	0.078%	0.074%	0.078%						
2011				0.058%	0.066%	0.062%	0.061%	0.069%	0.068%	0.066%	0.070%	0.074%	0.079%						
2012				0.087%	0.099%	0.093%	0.090%	0.103%	0.101%	0.098%	0.104%	0.110%	0.117%						
2013				0.086%	0.097%	0.091%	0.089%	0.101%	0.100%	0.097%	0.103%	0.109%	0.115%						

¹All customers assumed to have BGS Supply
²Over/Under assumed to be zero 2010 forward

**PSE-G Solar Loan II Program
Income Statement and Balance Sheet**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Income Statement</u>									
Operating Revenues	-	1,713,535	10,300,290	31,918,500	39,123,700	37,606,840	36,303,468	35,054,601	33,850,145
Operating Expenses									
Operations & Maintenance	-	1,713,535	1,990,878	2,768,775	2,077,068	2,081,265	2,066,499	2,064,095	2,063,796
Depreciation & Amortization	-	-	2,023,702	8,503,215	13,193,328	13,506,188	13,881,608	14,358,041	14,927,223
Total Operating Expenses	-	<u>1,713,535</u>	<u>4,014,580</u>	<u>11,271,990</u>	<u>15,270,396</u>	<u>15,587,453</u>	<u>15,948,107</u>	<u>16,422,136</u>	<u>16,991,018</u>
Operating Income	-	-	6,285,710	20,646,510	23,853,304	22,019,386	20,355,361	18,632,466	16,859,126
Other Income	-	-	(11,872)	(81,180)	(366,758)	(171,728)	(170,912)	(159,390)	(158,565)
Interest Expense	-	-	(1,533,617)	(5,027,121)	(5,741,201)	(5,340,581)	(4,934,016)	(4,515,677)	(4,082,392)
Income Before Income Taxes	-	-	4,740,221	15,538,209	17,745,345	16,507,077	15,250,433	13,957,399	12,618,169
Income Tax Expense	-	-	(1,947,472)	(6,383,718)	(7,290,497)	(6,781,768)	(6,265,488)	(5,734,258)	(5,184,049)
Net Income	-	-	2,792,749	9,154,491	10,454,847	9,725,310	8,984,945	8,223,141	7,434,121
Preferred Dividends	-	-	(24,704)	(80,977)	(92,479)	(86,026)	(79,477)	(72,739)	(65,759)
Earnings Available to PSEG	-	-	<u>2,768,045</u>	<u>9,073,514</u>	<u>10,362,368</u>	<u>9,639,283</u>	<u>8,905,468</u>	<u>8,150,402</u>	<u>7,368,361</u>

<u>Balance Sheet</u>									
	<u>Assets</u>								
Current Assets									
Interest Receivable	-	-	998,634	392,511	-	-	-	-	-
SREC Inventory	-	-	2,558,205	9,174,125	9,407,990	9,083,550	8,762,944	8,462,220	8,164,076
Total Current Assets	-	-	<u>3,556,839</u>	<u>9,566,636</u>	<u>9,407,990</u>	<u>9,083,550</u>	<u>8,762,944</u>	<u>8,462,220</u>	<u>8,164,076</u>
Property, Plant & Equipment	-	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Less: Accumulated Depreciation & Amortization	-	-	(16,667)	(36,667)	(56,667)	(76,667)	(96,667)	(116,667)	(136,667)
Net Property, Plant & Equipment	-	-	<u>183,333</u>	<u>163,333</u>	<u>143,333</u>	<u>123,333</u>	<u>103,333</u>	<u>83,333</u>	<u>63,333</u>
Noncurrent Assets									
Regulatory Assets	-	-	-	-	-	-	-	-	-
Long Term Investments	-	-	152,390,316	195,152,965	181,979,637	168,493,449	154,631,841	140,293,799	125,386,577
Total Noncurrent Assets	-	-	<u>152,390,316</u>	<u>195,152,965</u>	<u>181,979,637</u>	<u>168,493,449</u>	<u>154,631,841</u>	<u>140,293,799</u>	<u>125,386,577</u>
Total Assets	-	-	<u>156,130,489</u>	<u>204,882,934</u>	<u>191,530,960</u>	<u>177,700,332</u>	<u>163,498,118</u>	<u>148,839,353</u>	<u>133,613,986</u>
	<u>Liabilities & Capitalization</u>								
Liabilities									
Deferred Income Taxes	-	-	9,586	27,663	35,223	36,455	37,688	34,237	26,020
Capitalization									
Debt	-	-	74,727,758	98,054,616	91,660,033	85,039,370	78,240,846	71,226,034	63,942,298
Preferred Stock	-	-	1,460,872	1,916,895	1,791,885	1,662,456	1,529,550	1,392,416	1,250,024
Common Equity	-	-	79,932,272	104,883,760	98,043,818	90,962,050	83,690,034	76,186,666	68,395,644
Total Capitalization	-	-	<u>156,120,902</u>	<u>204,855,271</u>	<u>191,495,737</u>	<u>177,663,877</u>	<u>163,460,430</u>	<u>148,805,116</u>	<u>133,587,966</u>
Total Liabilities & Capitalization	-	-	<u>156,130,489</u>	<u>204,882,934</u>	<u>191,530,960</u>	<u>177,700,332</u>	<u>163,498,118</u>	<u>148,839,353</u>	<u>133,613,986</u>

**PSE-G Solar Loan II Program
Income Statement and Balance Sheet**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<u>Income Statement</u>									
Operating Revenues	33,095,819	32,656,746	31,923,670	30,950,955	29,171,985	22,062,903	8,486,327	1,301,132	(1,467,034)
Operating Expenses									
Operations & Maintenance	2,065,862	2,070,158	2,076,256	2,078,424	2,068,511	2,069,870	2,085,815	2,103,828	2,027,574
Depreciation & Amortization	<u>16,039,787</u>	<u>17,642,672</u>	<u>19,218,826</u>	<u>20,714,719</u>	<u>21,692,845</u>	<u>18,157,338</u>	<u>8,670,986</u>	<u>3,312,738</u>	<u>-</u>
Total Operating Expenses	<u>18,105,649</u>	<u>19,712,830</u>	<u>21,295,081</u>	<u>22,793,143</u>	<u>23,761,356</u>	<u>20,227,208</u>	<u>10,756,800</u>	<u>5,416,566</u>	<u>2,027,574</u>
Operating Income	14,990,170	12,943,916	10,628,588	8,157,812	5,410,629	1,835,694	(2,270,473)	(4,115,434)	(3,494,607)
Other Income	(147,294)	(125,164)	(26,091)	43,598	174,538	1,350,254	3,604,525	4,691,654	3,843,120
Interest Expense	<u>(3,628,287)</u>	<u>(3,133,498)</u>	<u>(2,591,742)</u>	<u>(2,004,805)</u>	<u>(1,365,274)</u>	<u>(778,794)</u>	<u>(326,104)</u>	<u>(140,855)</u>	<u>(85,193)</u>
Income Before Income Taxes	11,214,588	9,685,255	8,010,755	6,196,605	4,219,893	2,407,155	1,007,948	435,366	263,320
Income Tax Expense	<u>(4,607,402)</u>	<u>(3,979,090)</u>	<u>(3,291,138)</u>	<u>(2,545,813)</u>	<u>(1,733,701)</u>	<u>(988,955)</u>	<u>(414,105)</u>	<u>(178,866)</u>	<u>(108,182)</u>
Net Income	6,607,187	5,706,165	4,719,616	3,650,792	2,486,192	1,418,199	593,843	256,500	155,137
Preferred Dividends	<u>(58,445)</u>	<u>(50,474)</u>	<u>(41,748)</u>	<u>(32,293)</u>	<u>(21,992)</u>	<u>(12,545)</u>	<u>(5,253)</u>	<u>(2,269)</u>	<u>(1,372)</u>
Earnings Available to PSEG	<u>6,548,742</u>	<u>5,655,690</u>	<u>4,677,868</u>	<u>3,618,498</u>	<u>2,464,200</u>	<u>1,405,654</u>	<u>588,590</u>	<u>254,231</u>	<u>153,765</u>
 <u>Balance Sheet</u>									
<u>Assets</u>									
Current Assets									
Interest Receivable	-	-	-	-	-	-	-	-	-
SREC Inventory	<u>7,715,890</u>	<u>7,210,893</u>	<u>6,733,882</u>	<u>6,138,616</u>	<u>5,653,305</u>	<u>5,380,853</u>	<u>5,711,590</u>	<u>5,844,201</u>	<u>3,339,734</u>
Total Current Assets	7,715,890	7,210,893	6,733,882	6,138,616	5,653,305	5,380,853	5,711,590	5,844,201	3,339,734
Property, Plant & Equipment	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Less: Accumulated Depreciation & Amortization	<u>(156,667)</u>	<u>(176,667)</u>	<u>(196,667)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>
Net Property, Plant & Equipment	43,333	23,333	3,333						
Noncurrent Assets									
Regulatory Assets	169,580	399,674	611,616	806,575	846,825	893,126	343,571	-	-
Long Term Investments	<u>109,366,790</u>	<u>91,744,118</u>	<u>72,545,292</u>	<u>51,833,907</u>	<u>30,141,061</u>	<u>11,983,723</u>	<u>3,312,738</u>	-	-
Total Noncurrent Assets	<u>109,536,370</u>	<u>92,143,792</u>	<u>73,156,908</u>	<u>52,640,482</u>	<u>30,987,887</u>	<u>12,876,850</u>	<u>3,656,309</u>	-	-
Total Assets	<u>117,295,593</u>	<u>99,378,018</u>	<u>79,894,123</u>	<u>58,779,097</u>	<u>36,641,191</u>	<u>18,257,703</u>	<u>9,367,899</u>	<u>5,844,201</u>	<u>3,339,734</u>
<u>Liabilities & Capitalization</u>									
Liabilities									
Deferred Income Taxes	17,803	9,586	1,369	(0)	(0)	(0)	(0)	(0)	(0)
Capitalization									
Debt	56,135,381	47,563,010	38,240,916	28,134,799	17,538,421	8,739,107	4,483,974	2,797,345	1,598,574
Preferred Stock	1,097,405	929,821	747,581	550,014	342,863	170,843	87,658	54,686	31,251
Common Equity	<u>60,045,004</u>	<u>50,875,600</u>	<u>40,904,256</u>	<u>30,094,284</u>	<u>18,759,907</u>	<u>9,347,753</u>	<u>4,796,266</u>	<u>2,992,170</u>	<u>1,709,909</u>
Total Capitalization	<u>117,277,790</u>	<u>99,368,432</u>	<u>79,892,754</u>	<u>58,779,097</u>	<u>36,641,191</u>	<u>18,257,703</u>	<u>9,367,899</u>	<u>5,844,201</u>	<u>3,339,734</u>
Total Liabilities & Capitalization	<u>117,295,593</u>	<u>99,378,018</u>	<u>79,894,123</u>	<u>58,779,097</u>	<u>36,641,191</u>	<u>18,257,703</u>	<u>9,367,899</u>	<u>5,844,201</u>	<u>3,339,734</u>