July 26, 2011

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 ELECTRONIC MAIL & REGULAR MAIL

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center, Suite 801
Newark, New Jersey 07102

Dear Secretary Izzo:

Pursuant to Paragraph 22 of the Settlement Agreement in the above-referenced matter, PSE&G hereby provides notice that, with respect to the sixth quarterly application period, it intends to reallocate 2,026 kW of unused capacity from the Residential and 21 kW from the Small Non-Residential (<= 150 kW) Segments to the Large Non-Residential Segment (> 150-500 kW). The Large Non-Residential Segment was oversubscribed by 5,136 kW and the Very Large Non-Residential Segment was oversubscribed by 5,932 kW during the sixth quarterly application period. The 2,316 kW that was reallocated to the Large Residential Segment offset the oversubscribed amount. The remaining waiting list carried into Q7 and is described below. Accordingly, the initial available capacity for the sixth quarter of the Program will be as follows:

<table>
<thead>
<tr>
<th>Q7 Capacity kW</th>
<th>Allocated Capacity</th>
<th>Applied Capacity</th>
<th>Available Capacity</th>
<th>Waiting List</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1,500</td>
<td>-</td>
<td>1,500</td>
<td>-</td>
</tr>
<tr>
<td>Small Non-Residential</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>Large Non-Residential</td>
<td>250</td>
<td>-</td>
<td>250</td>
<td>3,000</td>
</tr>
<tr>
<td>Very Large Non-Residential</td>
<td>250</td>
<td>-</td>
<td>250</td>
<td>5,932</td>
</tr>
<tr>
<td>Total</td>
<td>4,500</td>
<td>-</td>
<td>4,500</td>
<td>8,933</td>
</tr>
</tbody>
</table>

Very truly yours,

Original Signed by
Matthew M. Weissman

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