NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY TO CONTINUE ITS ENERGY EFFICIENCY ECONOMIC EXTENSION PROGRAM ON A REGULATED BASIS ("EEE Extension II")

Notice of Filing And Notice of Public Hearings

BPU Docket No. EO14080897

TAKE NOTICE that, Public Service Electric and Gas Company (Public Service, PSE&G, the Company) filed a Petition with the New Jersey Board of Public Utilities (Board, BPU) in August 2014 requesting approval to continue the current PSE&G Energy Efficiency Economic Extension (EEE Extension) Program offerings, implement certain changes, and recover costs associated with this extension under a program entitled Energy Efficiency Economic Extension II. (EEE Extension II Program). Pursuant to prior Board Orders establishing as well as extending PSE&G's Energy Efficiency Program, the Company has been authorized to invest a total of $261 million to further New Jersey's energy efficiency goals and objectives and to recover the investments, plus a return, from its ratepayers. It has also received Board approval to recover administration and program management costs.

PSE&G seeks BPU approval for $109.8 million in funding to extend the time-frame and provide additional funding for the three EEE Extension Program offerings (Multi-Family Housing, Government/Municipal/Non-Profit Direct Install and Hospital Efficiency) already in the marketplace in order to address more customers while also factoring in lessons learned and balancing policy issues of concern associated with continuing to promote energy efficiency, including, but not limited to, energy efficiency asset life and throughput disincentives. Approval of this filing would initially increase rates to be paid by the Company's electric customers by $4.8 million and the Company's gas customers by $1.8 million over a 19 month period.

PSE&G proposes to recover all Program costs through a new separate component of the electric and gas Green Programs Recovery Charge (GPRC) entitled Energy Efficiency Economic Extension Program II (EEE Extension II Program). The EEE Extension II Program component will be applicable to all electric and gas rate schedules. The component would be reviewed and modified in an annual filing.

The Company is requesting that any over/under recovery of actual revenue requirements compared to revenues would be deferred. In calculating the monthly interest on net over and under recoveries, the interest rate would be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month. The proposed GPRCs, if approved by the Board, are shown in Table #1.

Table #2 and #3 provides customers with the approximate net effect of the proposed increase in rates relating to the EEE Extension II 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 and gas residential monthly bills, if approved by the Board, is illustrated in Table # 4 and # 5.

Based on the filing, a typical residential electric customer using 780 kilowatthours per summer month and 7,360 kilowatthours on an annual basis would see an initial increase in the annual bill from $1,372.36 to $1,372.92, or $0.56 or approximately 0.04% based on Delivery Rates and Basic Generation Service Fixed Price [BGS-FP] charges in effect July 1, 2014 and assuming that the customer receives BGS-FP service from PSE&G.

Under the Company's proposal, a residential heating customer using 100 therms per month during the winter months and 660 therms on an annual basis would see an initial increase in the annual bill from $697.81 to $698.13, or $0.32 or approximately 0.05% based on Delivery Rates and Basic Gas Supply Service [BGSS-RSG] charges in effect July 1, 2014 and assuming that the customer receives BGSS service from PSE&G. Moreover, under the Company's proposal, a typical residential gas heating customer using 160 therms per month during the winter months and 1,050 therms on an annual basis would see an initial increase in the annual bill from $1,069.40 to $1,069.88, or $0.48 or approximately 0.04% based on Delivery Rates and Basic Gas Supply Service [BGSS-RSG] charges in effect July 1, 2014 and assuming that the customer receives BGSS service from PSE&G.

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21, to establish the GPRC to levels it finds just and reasonable and adjust the Company's tariffs as appropriate. Therefore, the Board may establish the GPRC at a level other than that proposed by Public Service. Therefore, the described

Table #3
Impact By Gas Customer Class

PROPOSED PERCENTAGE INCREASES BY CUSTOMER CLASS FOR GAS SERVICE		
	Rate Class	**% Increase**
Residential Service	RSG	0.04%
General Service	GSG	0.05
Large Volume Service	LVG	0.05
Firm Transportation Gas Service	TSG-F	0.06
Non-Firm Transportation Gas Service	TSG-NF	0.07
Cogeneration Interruptible Service	CIG	0.08

The percent increases noted above are based upon Delivery Rates and the Basic Gas Supply Service (BGSS) charges in effect July 1, 2014 and assumes that customers receive commodity service from Public Service Electric and Gas Company.

Table #4
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:
1,600	170	$33.38	$33.40	$0.02	0.06%
3,900	415	78.00	78.04	0.04	0.05
7,360	780	146.85	146.91	0.06	0.04
7,800	803	151.36	151.42	0.06	0.04
12,400	1,320	252.34	252.45	0.11	0.04

(1) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect July 1, 2014 and assumes that the customer receives BGS-FP service from Public Service Electric and Gas Company.
(2) Same as (1) except includes the Energy Efficiency Economic Extension II Program component of the Green Programs Recovery Charge.

Table #5
Residential Gas Service

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Increase Would Be:	And Your Monthly Percent Increase Would Be:
212	25	$29.56	$29.57	$0.01	0.03%
424	50	53.26	53.28	0.02	0.04
660	100	103.28	103.33	0.05	0.05
1,050	160	161.81	161.89	0.08	0.05
1,312	200	200.82	200.93	0.11	0.05
1,972	300	298.25	298.40	0.15	0.05

(1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect July 1, 2014 and assumes that the customer receives commodity service from Public Service Electric and Gas Company.
(2) Same as (1) except includes the Energy Efficiency Economic Extension II Program component of the Green Programs Recovery Charge.

Alexander C. Stern, Esq.
Associate General Regulatory Counsel

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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, online at the PSEG Web site at http://www.pseg.com/pseandgfilings and at the Board of Public Utilities, 44 South Clinton Avenue, Seventh Floor, Trenton, New Jersey 08625-0350.

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. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

September 22, 2014
4:30 and 5:30 PM
Bergen County
Administration Building
Learning Center
Room #460
1 Bergen County Plaza
Hackensack, New Jersey 07601

September 23, 2014
4:30 and 5:30 PM
Middlesex County
Administration Building
Freeholders Meeting Room
1st Floor Meeting Room
J.F. Kennedy Square
New Brunswick, NJ 08901

September 29, 2014
4:30 and 5:30 PM
Burlington County
Human Services Facility
795 Woodlane Road
Lecture Hall- B
Mt. Holly, New Jersey 08060

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, listening devices or mobility assistance, no less than 48 hours prior to the above hearings to the Board's Secretary at the following address. Customers may file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, Ninth Floor, P.O. Box 350, Trenton, New Jersey, 08625-0350 ATTN: Secretary Kristi Izzo whether or not they attend the public hearings. To review PSE&G's rate filing, visit http://www.pseg.com/pseandgfilings.

Table # 1
GPRC Charges

	Energy Efficiency Economic Extension II Program Component of the GPRC		Total GPRC	
	Present (Incl SUT)	**Proposed (Incl SUT)**	**Present (Incl SUT)**	**Proposed (Incl SUT**
GPRC Electric - $ per kWhr	**$0.000000**	**$0.000077**	**$0.002852**	**$0.002929**
GPRC Gas - $ per Therm	**$0.000000**	**$0.000515**	**$0.007168**	**$0.007683**

Table # 2
Impact By Electric Customer Class

PROPOSED PERCENTAGE INCREASES BY CUSTOMER CLASS FOR ELECTRIC SERVICE		
	Rate Class	**% Increase**
Residential	RS	0.04%
Residential Heating	RHS	0.05
Residential Load Management	RLM	0.04
General Lighting & Power	GLP	0.04
Large Power & Lighting - Secondary	LPL-S	0.05
Large Power & Lighting – Primary	LPL-P	0.06
High Tension – Subtransmission	HTS-S	0.07

The percent increases noted above are based upon Delivery Rates and the applicable Basic Generation Service (BGS) charges in effect July 1, 2014 and assumes that customers receive commodity service from Public Service Electric and Gas Company.