



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)	DECISION AND ORDER
SERVICE ELECTRIC AND GAS COMPANY TO)	APPROVING STIPULATION
REVISE ITS WEATHER NORMALIZATION CHARGE)	FOR PROVISIONAL WNC
)	RATES
)	
)	DOCKET NO. GR13070615

Parties of Record

Mally Becker, Esq., for Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND

The Public Service Electric and Gas Company (“PSE&G” or “Company”) Weather Normalization Clause (“WNC”) Tariff was approved by the New Jersey Board of Public Utilities (“Board”) as part of the Stipulation of Settlement of the Company’s last base rate case.¹ The WNC Tariff requires PSE&G to calculate at the end of each October through May period (“Winter Period”), the level by which the Company’s margin revenues² differed from what would have resulted if normal weather³ had occurred. The base level of normal degree days for the 2012-2013 Winter Period is defined in PSE&G’s WNC Tariff. Any excess or deficiency in margin revenues when compared to normal is subsequently credited or charged to customers over the next year’s Winter Period.

¹ Board Order dated July 9, 2010, In re the Petition of PSE&G for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service, Dkt. No. GR09050422.

² Margin Revenues are distribution revenues from relevant rate classes’ per therm charges, minus the Transitional Energy Facility Assessment.

³ The determination of ‘normal weather’ is based upon a twenty-year rolling average of heating degree days for each of the Winter Period months.

On July 1, 2013, the Company petitioned the Board for approval to recover \$26.277 million through the WNC over the 2013-2014 Winter Period. According to the petition, this amount was derived as follows:

Carryover Deficiency from 2012-2013 Winter Period	- \$24,038,523 ⁴
Remaining Uncollected 2012-2013 WNC Balance	- 2,166,297
Margin Revenue Deferral from 2012-2013 Winter Period	- <u>72,252</u>
Total	- \$26,277,072

The Company is proposing a WNC after-tax rate of \$0.019983 per balancing therm applicable to Residential Service Gas ("RSG"), General Service Gas ("GSG") and Large Volume Gas ("LVG") customers. If approved by the Board, a PSE&G heating customer using 100 therms per winter month and 1,000 therms annually will see a monthly decrease of \$0.86 (0.79%) and a total annual decrease of \$6.50 (0.65%), based upon delivery and commodity rates in effect on June 1, 2013, with the WNC set to the 2012-2013 WNC Winter Period rate, assuming that the customer receives commodity service from PSE&G.

Following a review by and subsequent discussions among representatives of the Company, Board Staff and the Division of Rate Counsel, (collectively, "the Parties"), it was determined that additional time is needed to complete a comprehensive review of PSE&G's proposed WNC rate and other aspects of the Company's filing. On September 9, 2013, the Parties executed a Stipulation for Provisional WNC Rates ("Stipulation"), agreeing that a provisional change at this time in PSE&G's WNC rate is reasonable and in the public interest.

STIPULATION FOR PROVISIONAL WNC RATES⁵

The Parties stipulate and agree as follows:

- 1) The Board should provisionally approve PSE&G's WNC rate of \$0.018676 (\$0.019983 including SUT) per balancing therm applicable to Rate Schedules RSG, GSG and LVG for the 2013-2014 Winter Period.
- 2) Upon Board approval of the above rate, the Company is authorized to issue revised Gas WNC Tariff Sheet Nos. 45, 46, and 47 to reflect the revised provisional WNC charges presented in Paragraph 1 above applicable to gas customers to be effective on October 1, 2013.
- 3) The Parties understand that these changes are on a provisional basis, subject to true-up of the earnings for the Annual Period, and will provide an opportunity for a full review of all issues in this matter at the Office of Administrative Law, if necessary, and final approval by the Board.

⁴ As set forth in the Settlement for Final WNC Rates approved by the Board in the Decision and Order In re the Petition of PSE&G to Revise its Weather Normalization Charge, Docket No. GR12060583 (April 29, 2013).

⁵ Although summarized in this Order, the detailed terms of the Stipulation control, subject to the findings and conclusions of this Order.

DISCUSSION AND FINDING

The Board, having carefully reviewed the record to date in this proceeding and the attached Stipulation, **HEREBY FINDS** that subject to the terms and conditions set forth below, that the Stipulation is reasonable, in the public interest and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own as if fully set forth herein.

The Board **HEREBY APPROVES** on a provisional basis the Company's implementation of an after-tax per therm WNC rate of \$0.019983 per balancing therm, applicable to Rate Schedules RSG, GSG and LVG for the 2013-2014 Winter Period to be effective for service rendered on and after October 1, 2013.

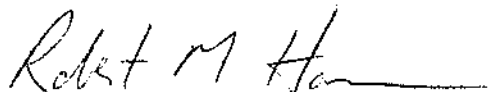
The Board **HEREBY DIRECTS** that this matter be transmitted to the Office of Administrative Law for review and evidentiary hearings, if necessary.


The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order by October 1, 2013.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

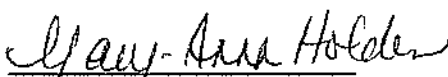
DATED: 9/18/13

BOARD OF PUBLIC UTILITIES
BY:

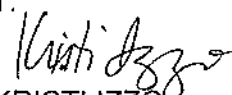

ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
TO REVISE ITS WEATHER NORMALIZATION CHARGE - DOCKET NO. GR13070615

SERVICE LIST

Jerome May, Director
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
jerome.may@bpu.state.nj.us

Scott Sumliner
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
scott.sumliner@bpu.state.nj.us

Robert Schutheis, Chief
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
robert.schutheis@bpu.state.nj.us

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
sbrand@rpa.state.nj.us

Christine Juarez, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
cjuarez@rpa.state.nj.us

Sarah Steindel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
ssteinde@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
ftomas@rpa.state.nj.us

Alex Moreau, DAG
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
alex.moreau@lps.state.nj.us

Mally Becker, Esq.
Assistant Gen. Reg. Counsel
PSE&G Services Corp.
80 Park Plaza, T-5
Newark, NJ 07102
mally.becker@pseg.com

T. David Wand, DAG
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
david.wand@lps.state.nj.us

Mally Becker
Assistant General Regulatory Counsel

Law Department
PSEG Services Corporation
80 Park Plaza - 15, Newark, New Jersey 07102-4194
973-430-7380 fax: 973-430-5983
email: mally.becker@pseg.com



September 9, 2013

In the Matter of the Petition of
Public Service Electric and Gas Company to
Revise its Weather Normalization Charge (WNC)

BPU Docket No. GR13070615

VIA ELECTRONIC & REGULAR MAIL

Kristi Izzo, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625

Dear Secretary Izzo:

Enclosed for filing, please find a fully executed Stipulation in the above-referenced proceeding.

Please feel free to contact me with any questions you may have regarding this submittal.

Respectfully submitted

A handwritten signature in blue ink, appearing to read "Mally Becker".

C Attached Service List

BPU

William Agee, Esq.
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1616
 FAX: (609) 292-3332
 william.agee@bpu.state.nj.us

Kristi Izzo, Secretary
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1599
 FAX: () - -
 kristi.izzo@bpu.state.nj.us

Jerome May, Director
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-3960
 FAX: () - -
 Jerome.may@bpu.state.nj.us

Robert Schultheis
 Board of Public Utilities
 Division of Energy
 44 South Clinton Ave., 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: () - -
 FAX: () - -
 robert.schultheis@bpu.state.nj.us

Scott Sumliner
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-4519
 FAX: () - -
 scott.sumliner@bpu.state.nj.us

DAG

Alex Moreau, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3762
 FAX: (973) 648-3555
 Alex.Moreau@dol.lps.state.nj.us

Caroline Vachier, DAG, Section Chief,
 Deputy Attorney General
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3709
 FAX: (973) 648-3555
 caroline.vachier@dol.lps.state.nj.us

T. David Wand, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3441
 FAX: () - -
 david.wand@dol.lps.state.nj.us

RATE COUNSEL

Stefanie A. Brand, Director
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 P.O. Box 003
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: () - -
 sbrand@rpa.state.nj.us

Christine M. Juarez
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: () - -
 cjuarez@rpa.state.nj.us

Shelly Massey, Paralegal
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 P.O. Box 003
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: () - -
 smassey@rpa.state.nj.us

Sarah Steindel
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 P.O. Box 003
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: () - -
 ssteinde@rpa.state.nj.us

Felicia Thomas-Friel, Managing
 Attorney - Gas
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 P.O. Box 003
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: () - -
 fthomas@rpa.state.nj.us

RATE COUNSEL CONSULTANT

David E. Peterson
 Chesapeake Regulatory Consultants, Inc.
 10351 Southern Maryland Blvd.
 Suite 202
 Dunkirk, MD 20754-9500
 PHONE: (410) 286-9500
 FAX: (410) 286-0504
 davep@chesapeake.net

PSE&G

Mally Becker, Esq.
 PSEG Services Corporation
 80 Park Plaza, T-5
 Newark, NJ 07102
 PHONE: (973) 430-7380
 FAX: (973) 430-5983
 mally.becker@pseg.com

Connie E. Lembo
 PSEG Services Corporation
 80 Park Plaza, T-05
 Newark, NJ 07102
 PHONE: (973) 430-6273
 FAX: (973) 430-5983
 constance.lembo@pseg.com

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF
PUBLIC SERVICE ELECTRIC AND GAS
COMPANY TO REVISE ITS WEATHER
NORMALIZATION CHARGE (WNC)

)
) STIPULATION FOR
) PROVISIONAL WNC RATES
)
) BPU Dkt. No. GR13070615
)

APPEARANCES:

Mally Becker, Assistant General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, Division of Rate Counsel; **Sarah H. Steindel, Esq.** and **Christine M. Juarez**, Assistant Deputy Rate Counsels, Division of Rate Counsel

Alex Moreau and T. David Wand, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (John Jay Hoffman, Acting Attorney General of New Jersey)

On July 1, 2013, Public Service Electric and Gas Company (PSE&G or the Company) filed its Petition with the Board of Public Utilities (Board or BPU), requesting approval to recover \$26,277,072 in deficiency revenue through the Weather Normalization Charge (WNC) from customers receiving service under Rate Schedules Residential Service (RSG), General Service (GSG) and Large Volume Gas (LVG) during the Winter Period of October 1, 2013 to May 31, 2014. See B.P.U.N.J. No. 15 Gas Tariff Sheet Nos. 45, 46, and 47 (WNC Tariff). As part of this Petition, PSE&G proposed a WNC rate for the 2013-2014 Winter Period of \$0.018676 (\$0.019983 including Sales and Use Tax (SUT)) per balancing term applicable to Rate Schedules RSG, GSG and LVG.

The proposed rate per Balancing Therm reflects the actual results for the 2012-2013 Winter Period to be recovered from customers during the 2013-2014 Winter Period, with incorporation of the two adjustments described below, and represents a total charge of \$26,277,072. The WNC Tariff was first approved by the Board on July 9, 2010, as part of the Stipulation of Settlement of PSE&G's 2009 base rate case. Decision and Order Adopting Initial Decision with Modifications for Gas Decision, *I/M/O the Petition of PSE&G for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service*, Dkt. No. GR09050422 (July 2010 Order). The BPU approved the permanent 2012-2013 PSE&G WNC rate and Tariff on April 29, 2013. Decision and Order, *I/M/O the Petition of PSE&G to Revise Its Weather Normalization Charge*, Dkt. No. GR12060583 (April 29, 2013) (the 2012-2013 WNC Order).

In calculating the proposed WNC, PSE&G represents that it has utilized calculations required by the July 2010 Order and reflected in PSE&G's WNC Tariff. Specifically, PSE&G is required to calculate, at the end of each October-to-May period (Winter Period), the level by which margin revenues differed from what would have resulted if normal weather had occurred. The base level of normal degree days for the 2012-2013 Winter Period is defined in PSE&G's WNC Tariff. As approved by the Board, any excess or deficiency is to be credited or recovered in the following year during the Winter Period through the WNC.

In accordance with the WNC Tariff, PSE&G represents that it has trued-up the Degree Day Consumption Factors utilized in the determination of the proposed WNC at the end of the Winter Period. In addition, the revised WNC Tariff Sheets developed by PSE&G and included in the Petition reflect updated Degree Day Consumption Factors for the 2013-2014 Winter Period.

These calculations establish a margin revenue deficiency of \$72,252 resulting solely from the 2012-2013 Winter Period. Only this component of the total deficiency originated from the recent 2012-2013 Winter Period. In calculating the 2013-2014 WNC recovery request, PSE&G represents that it has made two adjustments to the margin revenue deficiency in accordance with the WNC Tariff. The Company has:

- Included the \$24,038,523 of carryover deficiency from the 2011-2012 WNC which was previously approved for carryover to the 2012-2013 Winter Period per the Board's 2012-2013 WNC Order, dated April 29, 2013 in BPU Docket No. GR12060583; and,
- Included \$2,166,297 of the remaining 2011-2012 WNC deficiency of \$40,729,656 approved for recovery over this past 2012-2013 Winter Period. The \$2,166,297 remaining balance is the result of the difference between what was expected to be collected versus what was actually collected over the 2012-2013 Winter Period.

In addition, PSE&G represents that it applied an earnings test to ensure that the WNC will not permit the Company to recover any portion of the 2012-2013 Winter Period margin revenue deficiency that would cause the Gas Utility to earn in excess of its allowed rate of return on common equity for the Annual Period. PSE&G also represents that the proposed WNC does not exceed three percent of the RSG total per therm rate.

Following the filing of the Petition, Board Staff and the Division of Rate Counsel, the only parties to this proceeding, discussed certain matters at issue herein. As a result of those discussions, the Parties have determined that additional time is needed to complete the review of the proposed WNC rate and other aspects of the Company's filing. However the Parties also agree that change in the Company's proposed WNC rate for the 2013-2014 Winter Period, on a provisional basis, is reasonable at this time.

NOW THEREFORE, THE UNDERSIGNED STIPULATE AND AGREE AS FOLLOWS:

- 1) The Parties stipulate and request that the BPU provisionally approve PSE&G's WNC rate of \$0.018676 (\$0.019983 including SUT) per balancing therm applicable to Rate Schedules RSG, GSG and LVG for the 2013-2014 Winter Period. As a result of the stipulated provisional WNC rate, PSE&G's typical residential gas heating customers using 160 therms per month during the winter months and 1,050 therms on an annual basis would see a decrease in the annual bill from \$1,124.99 to \$1,118.68 or \$6.31 or approximately 0.56%, based upon Delivery Rates and BGSS-

RSG charges in effect on June 1, 2013, when compared to the 2012-2013 WNC Winter Period Rate, assuming that the customer receives gas commodity service from PSE&G.

- 2) The Parties further agree that upon Board approval of the above rate, the Company is authorized to issue revised Gas WNC Tariff Sheet Nos. 45, 46, and 47 to reflect the revised provisional WNC charges delineated in Paragraph 1 above applicable to gas customers to be effective on October 1, 2013. Copies of the proposed Tariff Sheets are attached hereto as Exhibit A.
- 3) The Parties understand that these changes are on a provisional basis, subject to true-up of the earnings for the Annual Period, and subject to an opportunity for a full review of all issues in this matter at the Office of Administrative Law (OAL), if necessary, and final approval by the Board.
- 4) The undersigned agree that this Settlement for provisional WNC rates reflects mutually balancing interests and contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Settlement is not accepted and approved in its entirety by the Board, this Settlement shall be null and void, and the Parties shall be placed in the same position that they were in immediately prior to its execution.

- 5) The undersigned further agree that a Board Order approving this Settlement will become effective upon the service of said Order, or upon such date after the service thereof as the Board may specify, in accordance with *N.J.S.A. 48:2-40*.
- 6) The undersigned parties further agree that this Settlement for the provisional WNC rate has been made exclusively for the purpose of this proceeding and that this Settlement, in total or specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Settlement for the provisional WNC rate.

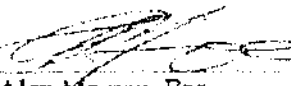
PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

JOHN JAY HOFFMAN
ACTING ATTORNEY GENERAL
OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

BY:


Mally Becker, Esq.
Assistant General Regulatory Counsel

BY:

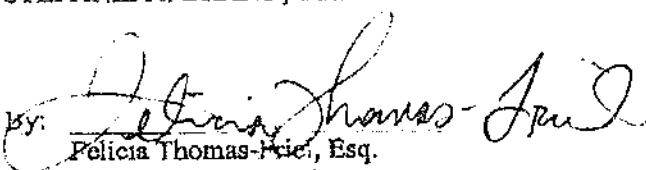

Alex Morcau, Esq.
Deputy Attorney General

Dated: September 6, 2013

Dated: September 6, 2013

DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR

BY:


Felicia Thomas-Fric, Esq.
Deputy Rate Counsel

Dated: September 9, 2013

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 45

B.P.U.N.J. No. 15 GAS

Superseding
XXX Revised Sheet No. 45

WEATHER NORMALIZATION CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG
(Per Balancing Therm)**

	Weather Normalization Charge	Weather Normalization Charge including SUT
October 1, 2013 through May 31, 2014	\$0.018676	\$0.019983
June 1, 2014 through September 30, 2014	\$0.000000	\$0.000000

Weather Normalization Charge

This charge shall be applicable to the rate schedules listed above. The weather normalization charge applied in each Winter Period shall be based on the differences between actual and normal weather during the preceding winter period. The weather normalization charge shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Degree Days (DD)

- the difference between 65°F and the mean daily temperature for the day. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day.

2. Actual Calendar Month Degree Days

- the accumulation of the actual Degree Days for each day of a calendar month.

3. Normal Calendar Month Degree Days

- the level of calendar month degree days to which this clause applies.

The normal calendar month Degree Days used in this clause will be the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station at the Newark airport and will be updated annually in the Weather Normalization Clause (WNC) proceeding. The base level of normal degree days for the defined winter period months for the 2013-2014 Winter Period are set forth in the table below:

	Normal Degree Days
Oct - 13	252.3
Nov - 13	524.1
Dec - 13	841.0
Jan - 14	992.4
Feb - 14	837.2
Mar - 14	681.3
Apr - 14	353.6
May - 14	128.1

4. Winter Period

- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

Date of Issue:

Issued by DANIEL J. CREGG, Vice President Finance – PSE&G
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. 46

B.P.U.N.J. No. 15 GAS

Superseding
XXX Revised Sheet No. 46

WEATHER NORMALIZATION CHARGE
(Continued)

5. Degree Day Dead Band

- shall be one-half (1/2 %) percent of the sum of the cumulative Normal Calendar Month Degree Days for the Winter Period and shall be allocated to each winter month in the same proportion as the ratio of the normal degree days for that month to the total normal degree days.

6. Degree Day Consumption Factors

- the use per degree day component of the gas sales equations by month used in forecasting firm gas sales for the applicable rate schedules. These factors will be updated annually in the WNC proceeding. Degree day Consumption Factors for the 2013-2014 Winter Period are set forth below and presented as therms per degree day:

Month	RSG-Residential		Commercial			Industrial		
	Heating	Non-Heating	GSG		LVG	GSG		LVG
			Heating	Non-Heating		Heating	Non-Heating	
Oct.-13	122,538	1,199	18,086	1,481	71,048	665	123	7,101
Nov.-13	186,804	4,727	37,767	3,918	71,048	1,099	1,005	7,101
Dec.-13	216,984	6,159	40,828	4,993	71,048	1,992	504	7,101
Jan.-14	231,778	6,577	47,868	5,202	71,364	1,994	504	7,077
Feb.-14	231,765	6,562	49,202	5,428	71,364	1,994	504	7,077
Mar.-14	232,046	6,544	41,657	5,636	71,364	1,994	504	7,077
Apr.-14	200,930	7,871	34,584	5,743	71,364	1,198	181	7,077
May-14	165,244	8,210	20,374	5,086	71,364	576	-	7,077

The consumption factors established in advance of each Winter Period shall be based on the forecast number of customers by rate schedule. These factors shall be trued-up at the end of the Winter Period for which the factors apply in order to reflect the actual average number of customers by rate schedule.

7. Margin Revenue Factor

- the weighted average of the Distribution Charges as quoted in the individual rate schedules to which this clause applies net of applicable taxes. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges of each rate schedule to which this clause applies by each rate schedule's percentage of total consumption of all the rate schedules to which this clause applies for the winter period and summing this result for all the rate schedules to which this clause applies. The Margin Revenue Factors shall be redetermined each time new base rates are put into effect.

Margin Revenue Factors:

Rate Schedule RSG	\$0.278532
Rate Schedule GSG	\$0.235594
Rate Schedule LVG	\$0.037434

8. Annual Period

- shall be the 12 consecutive months from October 1 of one calendar year through September 30 of the following calendar year.

9. Average 13 Month Common Equity Balance

- shall be calculated by adding the Net Gas Utility Plant in Service (Gas Plant in Service less Accumulated Depreciation Reserve) at the beginning of the Annual Period (i.e., October 1) and the month ending balances for each of the twelve months in the Annual Period divided by thirteen (13), and multiplying by 40.88% (ratio of equity component of the Company's capital structure to net plant in service from most recent base rate case).

Date of Issue:

Issued by DANIEL J. CREGG, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket Nos.

Effective: