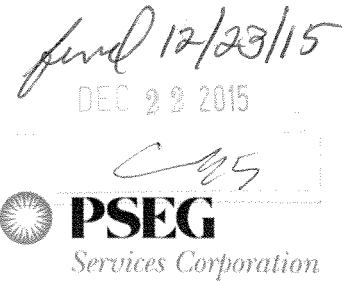


Martin C. Rothfelder
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DEC 22 2015

BOARD OF PUBLIC UTILITIES
MAIL ROOM

December 21, 2015

VIA OVERNIGHT MAIL

In The Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Electric Base Rate
Adjustments Pursuant to the Energy Strong Program

BPU Docket No. ER15101180

Irene Kim Asbury, Secretary
Board of Public Utilities
44 S Clinton Avenue, 9th Floor
Trenton, New Jersey 08625-0350

**Re: Energy Strong Program -- Notice of Moving funds between the
Energy Strong Gas Subprograms**

Dear Secretary Asbury:

Enclosed for filing on behalf of Public Service Electric and Gas Company (PSE&G) are ten (10) copies of this letter, which provides notice that PSE&G will be moving funds between the Energy Strong gas subprograms, in accordance with the terms of the Energy Strong program and associated stipulation approved by the New Jersey Board of Public Utilities (Board) in an Order dated May 21, 2014 (May 2014 Order) in Docket Nos. EO13020155 & GO13020156.

Specifically, PSE&G proposes to move \$13.532 million from the Metering & Regulating (M&R) Station Flood Mitigation sub-program to the Utilization Pressure Cast Iron (UPCI) subprogram. The amount that PSE&G is moving pursuant to this notice is less than 5% of the Energy Strong total gas program investment of \$400 million. Under the terms of the May 21 Order, no further action by the Board or filing by any party is anticipated or required in order for PSE&G to proceed.

The Energy Strong program was approved in the Board's May 2014 Order, which specifies the funding amount for each subprogram. Paragraph 28 of the stipulation adopted in the May 2014 Order provides that:

funds may be moved within the ES-Gas subprograms and the ES-electric subprograms. The Signatories recognize that the infrastructure initiatives covered under the ES-Electric and the ES-Gas Programs will be of such substantial scale

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and scope that it will be difficult to precisely budget each sub-program project initiative within each ES Program. Accordingly, the Signatories agree that a process enabling the Company to make adjustments to sub-program budgets in response to real market and service conditions experienced is justified. The process shall be as follows: For changes in the cumulative amount 5% or less of the ES-Electric overall program investment . . . and, for Gas, 5% or less of the ES-Gas overall program investment . . ., PSE&G shall be authorized to make adjustments on an immediate basis. PSE&G shall notify Board Staff and Rate Counsel of the changes within 30 days following the change.

Since, as noted above, the movement of funds that PSE&G provides notice of in this letter is less than 5% of the aggregate funds identified for the Energy Strong gas sub-programs, no further action by the Board or filing by any party is anticipated or required under the May 2014 Order.

Sincerely,



C – Email Only:

Stefanie Brand
Paul Flanagan
Jerome May
Max Chang
Jeremy Clark
Kim Coe
Pat Galloway
Lisa Gurkas
Patricia Krogman
Kurt Lewandowski
Brian Lipman
Alex Moreau
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