

Andrew J. Woodworth
Associate General Corporate Counsel

Office of the General Corporate Counsel
Public Service Electric and Gas Company
80 Park Plaza, T5B, Newark, NJ 07102-4194
tel: 973.430.3835 fax: 973.642.5033

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BOARD OF PUBLIC UTILITIES
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PSEG

January 9, 2020

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Ms. Irene Kim Asbury, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: PUBLIC SERVICE ELECTRIC AND GAS COMPANY
\$300,000,000 2.450% Secured Medium-Term Notes, Series N, due January 15, 2030
\$300,000,000 3.150% Secured Medium-Term Notes, Series N, due January 1, 2050

Docket No. EF19070774

Dear Ms. Asbury:

Enclosed herewith for filing in accordance with paragraphs 6 and 7 of the Order of the Board dated November 13, 2019, in the above-referenced Docket, are the following:

- Eleven copies of the Prospectus dated November 17, 2017 and Prospectus Supplement dated January 7, 2020 with respect to \$3,200,000,000 of the Company's Secured Medium-Term Notes, Series N (Exhibit 7)
- Eleven copies of the Free Writing Prospectus dated January 7, 2020 with respect to \$300,000,000 of the Company's 2.450% Secured Medium-Term Notes, Series N, due January 15, 2030 (the "2030 Notes") (Exhibit 8)
- Eleven copies of the Free Writing Prospectus dated January 7, 2020 with respect to \$300,000,000 of the Company's 3.150% Secured Medium-Term Notes, Series N, due January 1, 2050 (the "2050 Notes") (Exhibit 9)
- Eleven copies of the Final Pricing Supplement dated January 7, 2020 with respect to the 2030 Notes (Exhibit 10)
- Eleven copies of the Final Pricing Supplement dated January 7, 2020 with respect to the 2050 Notes (Exhibit 11)
- One certified copy and ten conformed copies of resolutions of the Company's Sale and Pricing Committee adopted at a meeting held on December 23, 2019 authorizing the

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Exhibit

Documents

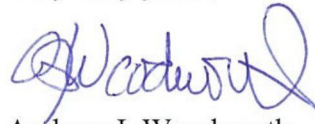
7	Prospectus and Prospectus Supplement
8	Free Writing Prospectus with respect to the 2030 Notes
9	Free Writing Prospectus with respect to the 2050 Notes
10	Final Pricing Supplement with respect to the 2030 Notes
11	Final Pricing Supplement with respect to the 2050 Notes
12	Resolutions of the Company's Sale And Pricing Committee
13	Distribution Agreement
14	Dealers for a Day Agreement
15	Supplemental Indenture

issuance and sale of the 2030 Notes and the 2050 Notes (Exhibit 12)

- Eleven copies of the Distribution Agreement dated January 7, 2020, executed by the Company with respect to its Secured Medium-Term Notes, Series N (Exhibit 13)
- Eleven copies of the Dealers for a Day Agreement dated January 7, 2020, executed by the Company with respect to the offer and sale of the 2030 Notes and the 2050 Notes (Exhibit 14)
- Eleven copies of the Supplemental Indenture dated December 1, 2019, with respect to \$3,200,000,000 of the Company's First and Refunding Mortgage Bonds, Secured Medium Term Notes, Series N (Exhibit 15)

Please note that the names of the agents, principal amount, maturity date, interest rate, redemption provisions, any other material terms and use of proceeds with respect to the Secured Medium-Term Notes, Series N, are set forth in the Final Pricing Supplement for each series.

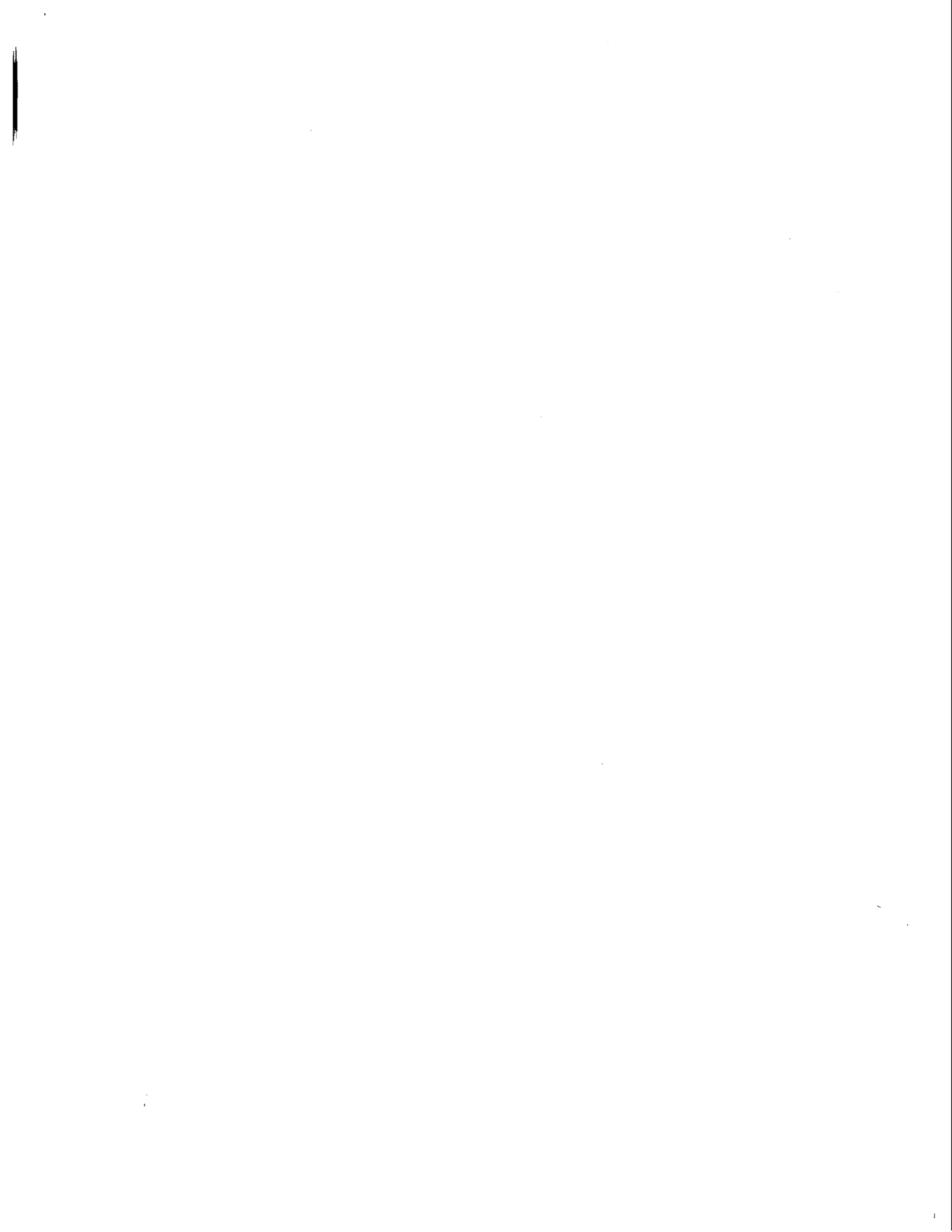
Very truly yours,



Andrew J. Woodworth
Associate General Corporate Counsel

Enclosures

cc: Ben Witherell, Chief Economist
Stefanie A. Brand, Director, Division of Rate Counsel
Jerome May, Director, Division of Energy



PROSPECTUS SUPPLEMENT
 (To prospectus dated November 17, 2017)

\$3,200,000,000

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 TRENTON, NJ



PSEG

**Public Service Electric and Gas Company
 Secured Medium-Term Notes, Series N
 Due 1 Year to 30 Years From Date of Issue**

Public Service Electric and Gas Company may offer from time to time its Secured Medium-Term Notes, Series N. We will include the specific terms of any Secured Medium-Term Notes that we may offer in a pricing supplement to this prospectus supplement. Unless the pricing supplement provides otherwise, the Secured Medium-Term Notes that we offer will have the following general terms:

- Secured as to principal (exclusive of any premium) and interest by one of our first and refunding mortgage bonds, as described under “Description of the Secured Medium-Term Notes — Security” in the accompanying prospectus
- Stated maturities of 1 year to 30 years from date of issue
- Interest at the fixed rate per annum specified in the applicable pricing supplement
- Redemption at 100% of the principal amount plus accrued interest resulting from the receipt of funds upon the sale of mortgaged property as described under “Description of the Secured Medium-Term Notes — Mandatory Redemption” in the accompanying prospectus
- Additional redemption provisions, if any, as specified in the applicable pricing supplement
- Payments in U.S. dollars
- Minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof
- Book-entry form (through The Depository Trust Company) except in limited circumstances

Investing in the Secured Medium-Term Notes involves risks. See “Risk Factors” beginning on page S-3 of this prospectus supplement and on page 4 of the accompanying prospectus, as well as the risk factors contained in our most recently filed Annual Report on Form 10-K and in our other periodic reports filed with the Securities and Exchange Commission (the “SEC”) that are incorporated by reference herein.

	Public Offering Price	Agents' Discounts and Commissions	Proceeds, Before Expenses, to Public Service Electric and Gas Company
Per Secured Medium-Term Note	100%	0.150% – 0.750%	99.850% – 99.250%
Total	\$3,200,000,000	\$4,800,000 – \$24,000,000	\$3,195,200,000 – \$3,176,000,000

Neither the SEC nor any state or other securities commission has approved or disapproved of these securities or determined if this prospectus supplement, the accompanying prospectus or any pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

We may sell the Secured Medium-Term Notes to the Agents as principal for resale at varying or fixed offering prices or through the Agents as agents using their reasonable best efforts on our behalf. We may also sell the Secured Medium-Term Notes directly to investors and other purchasers on our own behalf where we are authorized to do so.

- Barclays
 BNP PARIBAS
 BNY Mellon Capital Markets, LLC
 BofA Securities
 CIBC Capital Markets
 Citigroup
 Credit Suisse
 Goldman Sachs & Co. LLC
 J.P. Morgan
 Mizuho Securities
 Morgan Stanley
 MUFG
 PNC Capital Markets LLC
 RBC Capital Markets
 Scotiabank
 TD Securities
 US Bancorp
 Wells Fargo Securities

The date of this prospectus supplement is January 7, 2020

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Prospectus

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You should rely only on the information contained or incorporated by reference or deemed to be incorporated by reference in this prospectus supplement, the accompanying prospectus, any pricing supplement, any free writing prospectus and documents to which we otherwise refer you. Neither we nor any Agent has authorized any other person to provide you with different or additional information. You should not rely on any other information or representation. Neither we nor any Agent is making an offer to sell the Secured Medium-Term Notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference or deemed to be incorporated by reference in this prospectus supplement, the accompanying prospectus, any pricing supplement and any free writing prospectus is accurate only as of the date on the front of the applicable document. Our business, prospects, financial position, results of operations and cash flows may have changed since such dates.

It is important for you to read and consider all information contained or incorporated by reference or deemed to be incorporated by reference in this prospectus supplement, the accompanying prospectus, any pricing supplement and any free writing prospectus in making your investment decision. See “Where You Can Find More Information” in this prospectus supplement and the accompanying prospectus.

In this prospectus supplement, unless the context indicates otherwise, the words and terms “PSE&G,” “the Company,” “we,” “us” and “our” refer to Public Service Electric and Gas Company and its consolidated subsidiaries.

Our principal executive office is located at 80 Park Plaza, Newark, New Jersey 07102 and our telephone number is (973) 430-7000.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC. Our filings are available to the public over the Internet at the SEC’s website at <http://www.sec.gov>. None of the information contained at any time on our website is incorporated by reference in this prospectus supplement or the accompanying prospectus.

The SEC allows us to “incorporate by reference” documents that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference or deemed incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus, and information that we file later with the SEC will be deemed to automatically update and supersede this incorporated information. We incorporate by reference the following documents filed with the SEC:

- Our Annual Report on Form 10-K for the year ended December 31, 2018;
- Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2019, June 30, 2019, and September 30, 2019; and
- Our Current Reports on Form 8-K filed with the SEC on May 8, 2019 and August 12, 2019.

We also incorporate by reference any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on or after the date of this prospectus supplement and prior to the termination of any particular offering except, in each case, for current reports on Form 8-K containing only disclosure furnished under Item 2.02 or 7.01 of Form 8-K and exhibits relating to such disclosure, unless otherwise specifically stated in the Form 8-K or the pricing supplement for the applicable offering.

Certain of the documents incorporated by reference in this prospectus supplement and the accompanying prospectus are combined documents that are separately filed by Public Service Enterprise Group Incorporated (“PSEG”), PSE&G and PSEG Power LLC. Only information relating to PSE&G in such documents has been incorporated by reference in this prospectus supplement and the accompanying prospectus.

You can get a free copy of any of the documents incorporated by reference in this prospectus supplement and the accompanying prospectus by making an oral or written request directed to:

Vice President – Investor Relations
PSEG Services Corporation
80 Park Plaza, 4th Floor
Newark, NJ 07102
Telephone (973) 430-7000

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus, any pricing supplement, any free writing prospectus or other offering materials may contain or incorporate by reference statements about our and our subsidiaries' future performance, including, without limitation, future revenues, earnings, strategies, prospects, consequences and all other statements that are not purely historical that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. When used herein, the words "anticipate," "intend," "estimate," "believe," "expect," "plan," "should," "hypothetical," "potential," "forecast," "project," variations of such words and similar expressions are intended to identify forward-looking statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Other factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed in filings we make with the SEC, including our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K. These factors include, but are not limited to:

- our proposed investment programs may not be fully approved by regulators and our capital investment may be lower than planned;
- changes in technology related to distribution and consumption and customer usage patterns;
- economic downturns;
- adverse performance of our defined benefit plan trust fund investments and changes in funding requirements;
- changes in state and federal legislation and regulations, and our ability to recover costs and earn returns on authorized investments;
- the impact of any future rate proceedings;
- adverse changes in energy industry laws, policies and regulations, including market structures and transmission planning;
- changes in federal and state environmental regulations and enforcement;
- delays in receipt of, or an inability to receive, necessary licenses and permits;
- adverse outcomes of any legal, regulatory or other proceeding, settlement, investigation or claim applicable to us and/or the energy industry;
- changes in tax laws and regulations;
- lack of growth or slower growth in the number of customers or changes in customer demand;
- any inability to successfully develop or obtain regulatory approval for transmission and distribution projects;
- any equipment failures, accidents, severe weather events or other incidents that impact our ability to provide safe and reliable service to our customers;
- any inability to recover the carrying amount of our long-lived assets;
- any inability to maintain sufficient liquidity;
- any inability to realize anticipated tax benefits or retain tax credits;
- challenges associated with recruitment and/or retention of key executives and a qualified workforce;
- the impact of our covenants in our debt instruments on our operations; and
- the impact of acts of terrorism, cybersecurity attacks or intrusions.

Additional information concerning these factors is set forth or referred to under "Risk Factors."

All of the forward-looking statements made in this prospectus supplement, the accompanying prospectus, any pricing supplement, any free writing prospectus and the other offering materials are qualified by these cautionary statements and we cannot assure you that the results or developments anticipated by management will be realized or even if realized, will have the expected consequences to, or effects on, us or our business, prospects, financial condition, results of operations or cash flows. Readers are cautioned not to place undue reliance on these forward-looking statements in making any investment decision. Forward-looking statements made in this prospectus supplement, the accompanying prospectus, any pricing supplement, any free writing prospectus or other offering materials apply only as of the date of this prospectus supplement, the accompanying prospectus, any such pricing supplement, any such free writing prospectus or such other offering materials. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even in light of new information or future events, unless otherwise required by applicable securities laws.

The forward-looking statements contained in this prospectus supplement, the accompanying prospectus, any pricing supplement, any free writing prospectus and any other offering materials are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act.

RISK FACTORS

Your investment in the Secured Medium-Term Notes involves risks. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the following discussion of risks as well as the discussion of risks in our most recently filed Annual Report on Form 10-K and our other periodic and current reports filed with the SEC and incorporated by reference into this prospectus supplement, the accompanying prospectus and any pricing supplement, before deciding whether an investment in the Secured Medium-Term Notes is suitable for you. Such factors could have a material adverse effect on our business, prospects, financial position, results of operations or cash flows and on the trading price of the Secured Medium-Term Notes. Such factors could affect actual results and cause our results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, us. See "Forward-Looking Statements." Secured Medium-Term Notes are not an appropriate investment for you if you are unsophisticated with respect to their significant components.

Redemption May Adversely Affect Your Return on the Secured Medium-Term Notes

The Secured Medium-Term Notes are redeemable under certain conditions. As a result, PSE&G may redeem your Secured Medium-Term Notes at times when prevailing interest rates are relatively low. As a result, you generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as your Secured Medium-Term Notes being redeemed.

You Will Not Be Entitled to Take Any Action With Respect to Property Securing the Pledged Bond Unless an Event of Default Under the Note Indenture Also Constitutes an Event of Default Under the Mortgage

The Secured Medium-Term Notes will be serviced and secured equally and ratably by the series of First and Refunding Mortgage Bonds designated as First and Refunding Mortgage Bonds, Medium-Term Notes Series N (the "Pledged Bond"), in an aggregate principal amount equal to \$3,200,000,000 issued and pledged by PSE&G and delivered to the Note Trustee (as defined below) in accordance with the Note Indenture (as defined below). The Pledged Bond services and secures the payment of the principal of, and interest on, the Secured Medium-Term Notes; provided, however, that the Pledged Bond does not service or secure any premium due in respect of the Secured Medium-Term Notes. All of the First and Refunding Mortgage Bonds, including the Pledged Bond, are secured by a lien on substantially all of PSE&G's property. See "Description of the Mortgage Bonds" in the accompanying prospectus. The registered holders of the Secured Medium-Term Notes will be entitled to the benefits of the security afforded by such lien on such property only upon the occurrence of an event of default under the Mortgage (as defined under "Description of the Mortgage Bonds" in the accompanying prospectus) and the acceleration of the principal of the First and Refunding Mortgage Bonds in accordance with the Mortgage. Accordingly, upon the occurrence of an event of default under the Note Indenture other than one constituting an event of default under the Mortgage that results in the

acceleration of the principal of the First and Refunding Mortgage Bonds in accordance with the Mortgage, registered holders of the Secured Medium-Term Notes will not be entitled to take any action with respect to the property securing the Pledged Bond.

There May Not Be Any Trading Market for Your Secured Medium-Term Notes; Many Factors Affect the Trading Price of Your Secured Medium-Term Notes

Upon issuance, your Secured Medium-Term Notes will not have an established trading market. We cannot assure you that a liquid trading market for your Secured Medium-Term Notes will ever develop or be maintained if it does develop. In addition to our creditworthiness, many factors affect the trading market for, and trading price of, your Secured Medium-Term Notes. These factors include:

- the method of calculating the principal, premium and interest in respect of your Secured Medium-Term Notes;
- the time remaining to the maturity of your Secured Medium-Term Notes;
- the outstanding amount of Secured Medium-Term Notes;
- the redemption features of your Secured Medium-Term Notes; and
- the level, direction and volatility of market interest rates generally.

There may be a limited number of buyers when you decide to sell your Secured Medium-Term Notes. This may affect the price you receive for the Secured Medium-Term Notes or your ability to sell the Secured Medium-Term Notes at all. In addition, Secured Medium-Term Notes that are designed for specific investment objectives or strategies often experience a more limited trading market and more price volatility than those not so designed. You should not purchase Secured Medium-Term Notes unless you understand and know you can bear all of the investment risks involving your Secured Medium-Term Notes.

Our Credit Ratings May Not Reflect All Risks of an Investment in the Secured Medium-Term Notes

Our credit ratings may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, the Secured Medium-Term Notes. In addition, real or anticipated changes in our credit ratings will generally affect any trading market for, or trading value of, the Secured Medium-Term Notes.

DESCRIPTION OF THE SECURED MEDIUM-TERM NOTES

The Secured Medium-Term Notes will constitute a series of debt securities under an Indenture of Trust, dated as of July 1, 1993, as amended or modified from time to time (the "Note Indenture"), between us and The Bank of New York Mellon (successor to The Chase Manhattan Bank (National Association)), as trustee (the "Note Trustee"). The Note Indenture is subject to, and governed by, the Trust Indenture Act of 1939, as amended. Reference is directed to the description of Secured Medium-Term Notes contained in the accompanying prospectus under the caption "Description of the Secured Medium-Term Notes." The description of certain provisions of the Secured Medium-Term Notes and the Note Indenture contained herein and in the accompanying prospectus summarizes the material provisions of the Secured Medium-Term Notes and the Note Indenture. It does not, however, describe every aspect of the Secured Medium-Term Notes and the Note Indenture. For a complete statement of such provisions, reference is made to the actual provisions of the Secured Medium-Term Notes and the Note Indenture. In this section, references to "we", "our" and "us" refer to Public Service Electric and Gas Company without its consolidated subsidiaries.

The Secured Medium-Term Notes are limited to an aggregate initial offering price not to exceed \$3,200,000,000. The purchase price, aggregate principal amount, interest rate, stated maturity date, any additional redemption provisions and other variable terms of each tranche of Secured Medium-Term Notes will be set forth in the applicable pricing supplement, which will supplement, and (to the extent inconsistent) supersede, the description of those Secured Medium-Term Notes contained in the accompanying prospectus and this prospectus supplement.

Capitalized terms used but not defined in this prospectus supplement shall have the meanings given to them in the accompanying prospectus, the Secured Medium-Term Notes or the Note Indenture, as the case may be.

We maintain ordinary banking relationships with The Bank of New York Mellon, including credit facilities and lines of credit. Thomas A. Renyi, retired Executive Chairman of The Bank of New York Mellon, is a member of the Board of Directors of our parent, PSEG.

DESCRIPTION OF THE PLEDGED BOND

The Secured Medium-Term Notes are serviced and secured equally and ratably by our Pledged Bond, due December 1, 2054. The Pledged Bond is issued and secured by an Indenture dated August 1, 1924, as amended and supplemented from time to time, including the Supplemental Indenture dated as of December 1, 2019, between us and U.S. Bank National Association (successor to Fidelity Union Trust Company), as trustee (the "Mortgage Trustee"). In this section, references to "we", "our" and "us" refer to Public Service Electric and Gas Company without its consolidated subsidiaries.

Interest on the Pledged Bond shall accrue at a fixed rate per annum of 10% computed on the basis of a 360-day year of twelve 30-day months and shall be payable semi-annually in arrears on June 1 and December 1 of each year, subject to receipt of certain credits against principal and interest and such obligations, as set forth in the accompanying prospectus under the heading "Description of the Pledged Bond — Interest, Maturity and Payment."

In the event that any proposed action related to the Pledged Bond would adversely affect the registered holders of the Secured Medium-Term Notes, the Note Trustee shall not vote the Pledged Bond without notice to and approval of the holders of at least 66 $\frac{2}{3}$ % in aggregate principal amount of the Secured Medium-Term Notes.

Additional information regarding the Pledged Bond is set forth in the accompanying prospectus under the heading "Description of the Pledged Bond." A copy of the Indenture, including the Supplemental Indenture, may be inspected at the office of the Mortgage Trustee at 333 Thornall St., 4th Floor, Edison, New Jersey 08837.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the Secured Medium-Term Notes is based upon the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, Treasury regulations promulgated thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, perhaps with retroactive effect. It deals only with Secured Medium-Term Notes held as capital assets by initial purchasers (unless otherwise specified) and does not purport to deal with purchasers in special tax situations, such as financial institutions, tax-exempt organizations, individual retirement accounts, partnerships and other pass-through entities, insurance companies, regulated investment companies, entities classified as partnerships, dealers in securities or currencies, persons holding Secured Medium-Term Notes as part of a hedging or conversion transaction or as a position in a "straddle" for tax purposes, accrual method taxpayers that report revenues on an applicable financial statement or persons whose functional currency (as defined in section 985 of the Code) is not the United States dollar. Prospective purchasers of the Secured Medium-Term Notes should consult their own tax advisors concerning the application of United States federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Secured Medium-Term Notes arising under any applicable foreign, state, local or other tax laws or estate or gift tax considerations.

As used herein, the term "U.S. Holder" means a beneficial owner of a Secured Medium-Term Note that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation (including an entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to such date, that elect to continue to be treated as United States persons will also be considered a U.S. Holder. If a partnership holds a Secured Medium-Term Note, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding a Secured Medium-Term Note, you should consult your tax advisors. As used herein, the term "non-U.S. Holder" means a beneficial owner of a Secured Medium-Term Note that is not a U.S. Holder.

U.S. Holders

Payments of Interest. Payments of interest on a Secured Medium-Term Note generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting); provided that the interest is "qualified stated interest" (as defined below).

Original Issue Discount. For United States federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Secured Medium-Term Note over its issue price, if such excess equals or exceeds a de minimis amount (generally 1/4 of 1% of the Secured Medium-Term Note's "stated redemption price" at maturity (i) multiplied by the number of complete years to its maturity from its issue date or, (ii) in the case of a Secured Medium-Term Note providing for the payment of any amount other than "qualified stated interest" prior to maturity, multiplied by the weighted average maturity of such Secured Medium-Term Note). The issue price of each Secured Medium-Term Note in an issue of Secured Medium-Term Notes equals the first price at which a substantial amount of such Secured Medium-Term Notes has been sold (ignoring sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The "stated redemption price" at maturity of a Secured Medium-Term Note is the sum of all payments provided by the Secured Medium-Term Note other than "qualified stated interest" payments. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

Payments of qualified stated interest on a Secured Medium-Term Note are taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting). A U.S. Holder of a Secured Medium-Term Note issued with original issue discount (a "Discount Note") must include original issue discount in income as ordinary interest for United States federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting. In general, the amount of original issue discount included in income by the initial U.S. Holder of a Discount Note is the sum of the daily portions of original issue discount with respect to such Discount Note for each day during the taxable year (or portion of the taxable year) on which such U.S. Holder held such Discount Note. The "daily portion" of original issue discount on any Discount Note is determined by allocating to each day in any accrual period a ratable portion of the original issue discount allocable to that accrual period. An "accrual period" may be of any length and the accrual periods may vary in length over the term of the Discount Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of original issue discount allocable to each accrual period is generally equal to the difference between (i) the product of the Discount Note's adjusted issue price at the beginning of such accrual period and its yield to maturity and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the sum of the issue price of the Discount Note plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Note that were not qualified stated interest payments. Under these rules, U.S. Holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder who purchases a Discount Note for an amount that is greater than its adjusted issue price as of the purchase date and less than or equal to the sum of all amounts payable on the Discount Note after the purchase date, other than payments of qualified stated interest, will be considered to have purchased the Discount Note at an "acquisition premium." Under the acquisition premium rules, the amount of original issue discount that such U.S. Holder must include in its gross income with respect to such Discount Note for any taxable year (or portion thereof in which the U.S. Holder holds the Discount Note) will be reduced (but not below zero) by the portion of the acquisition premium properly allocable to the period.

Certain of the Secured Medium-Term Notes (i) may be redeemable at our option prior to their stated maturity (a "call option") and/or (ii) may be repayable at the option of the holder prior to their stated maturity (a "put option"). Secured Medium-Term Notes containing such features may be subject to rules that differ from the general rules discussed above. Investors intending to purchase Secured Medium-Term Notes with such features should consult their own tax advisors, since the original issue discount consequences will depend, in part, on the particular terms and features of the purchased Secured Medium-Term Notes.

U.S. Holders may generally, upon election, include in income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) that accrues on a debt instrument by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Short-Term Secured Medium-Term Notes. Secured Medium-Term Notes that have a fixed maturity of one year or less ("Short-Term Notes") will be treated as having been issued with original issue discount. In general, an individual or other cash method U.S. Holder is not required to accrue such original issue discount unless the U.S. Holder elects to do so. If such an election is not made, any gain recognized by the U.S. Holder on the sale, exchange, redemption, retirement or other disposition of the Short-Term Note will be ordinary income to the extent of the original issue discount accrued on a straight-line basis, or upon election under the constant yield method (based on daily compounding), through the date of sale, exchange, redemption, retirement or other disposition, and a portion of the deductions otherwise allowable to the U.S. Holder for interest on borrowings allocable to the Short-Term Note will be deferred until a corresponding amount of income is realized.

U.S. Holders who report income for United States federal income tax purposes under the accrual method, and certain other U.S. Holders including banks and dealers in securities, are required to accrue original issue discount on a Short-Term Note on a straight-line basis unless an election is made to accrue the original issue discount under a constant yield method (based on daily compounding).

Market Discount. If a U.S. Holder purchases a Secured Medium-Term Note for an amount that is less than its stated redemption price at maturity (or, in the case of a Discount Note, its revised issue price as of the purchase date), such U.S. Holder will be treated as having purchased such Secured Medium-Term Note at a "market discount," unless the amount of such market discount is less than a specified de minimis amount.

Under the market discount rules, a U.S. Holder will be required to treat any payment that does not constitute qualified stated interest on (for example, any partial principal payment), or any gain realized on the sale, exchange, redemption, retirement or other disposition of, a Secured Medium-Term Note as ordinary income to the extent of the lesser of (i) the amount of such payment or realized gain or (ii) the market discount which has not previously been included in income and is treated as having accrued on such note at the time of such payment or disposition. Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Secured Medium-Term Note, unless the U.S. Holder elects to accrue market discount on a constant yield basis.

A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a Secured Medium-Term Note with market discount until the maturity of the Secured Medium-Term Note or certain earlier dispositions, because a current deduction is only allowed to the extent the interest expense exceeds an allocable portion of market discount. A U.S. Holder may elect to include market discount in income currently as it accrues (on either a ratable or a constant yield basis), in which case the rules described above regarding the treatment as ordinary income of gain upon the disposition of the Secured Medium-Term Note and upon the receipt of certain cash payments and regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest for United States federal income tax purposes. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the Internal Revenue Service (the "IRS").

Premium. If a U.S. Holder purchases a Secured Medium-Term Note for an amount that is greater than the sum of all amounts payable on such notes after the purchase date other than payments of qualified stated interest, such U.S. Holder will be considered to have purchased the Secured Medium-Term Note with "amortizable bond premium" equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the Secured Medium-Term Note and may offset interest otherwise required to be included in respect of the note during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Secured Medium-Term Note held by a U.S. Holder that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the disposition of the Secured Medium-Term Notes. However, if the Secured Medium-Term Note may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity, special rules would apply which could result in a deferral of the

amortization of some bond premium until later in the term of the Secured Medium-Term Note. Any election to amortize bond premium applies to all taxable debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Disposition of a Secured Medium-Term Note. Except as discussed above, upon the sale, exchange, redemption, retirement or other disposition of a Secured Medium-Term Note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized upon the sale, exchange, redemption, retirement or other disposition (other than amounts representing accrued and unpaid interest) and such U.S. Holder's adjusted tax basis in such note. A U.S. Holder's adjusted tax basis in a Secured Medium-Term Note generally will equal such U.S. Holder's initial investment in the note increased by any original issue discount and market discount included in income and decreased by the amount of any payments, other than qualified stated interest payments, received and amortizable bond premium taken with respect to such note. Such gain or loss generally will be long-term capital gain or loss if the Secured Medium-Term Note had been held at the time of disposition for more than one year. If the U.S. Holder is an individual, long-term capital gains will be subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Non-U.S. Holders

Subject to the discussion below of backup withholding and information reporting and FATCA (as defined below), a non-U.S. Holder who is an individual or corporation (or an entity treated as a corporation for United States federal income tax purposes) holding the Secured Medium-Term Notes on its own behalf will not be subject to United States federal income taxes on payments of principal, premium, interest or original issue discount on a Secured Medium-Term Note, unless such non-U.S. Holder is a bank receiving interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, a direct or indirect 10% or greater shareholder of us, or a "controlled foreign corporation" for United States federal income tax purposes that is related to us. To qualify for the exemption from taxation, the Withholding Agent (as defined below) must have received a statement from the individual or corporation that:

- is signed under penalties of perjury by the beneficial owner of the Secured Medium-Term Note,
- certifies that such owner is not a U.S. Holder, and
- provides the beneficial owner's name and address.

A "Withholding Agent" is the last United States payor (or a non-U.S. payor who is a qualified intermediary, U.S. branch of a foreign person, or withholding foreign partnership) in the chain of payment prior to payment to a non-U.S. Holder (which itself is not a Withholding Agent). Generally, this statement is made on an IRS Form W-8BEN ("W-8BEN") or IRS Form W-8BEN-E ("W-8BEN-E") (or other applicable form), which is effective for the remainder of the year of signature plus three full calendar years unless a change in circumstances makes any information on the form incorrect. The beneficial owner must inform the Withholding Agent within 30 days of any change in the information on the statement and furnish a new W-8BEN or W-8BEN-E (or other applicable form). A non-U.S. Holder who is not an individual or corporation (or an entity treated as a corporation for United States federal income tax purposes) holding the Secured Medium-Term Notes on its own behalf may have substantially increased reporting requirements. In particular, in the case of Secured Medium-Term Notes held by a foreign partnership (or foreign trust), the partners (or beneficiaries) rather than the partnership (or trust) will be required to provide the certification discussed above, and the partnership (or trust) will be required to provide certain additional information.

Certain securities clearing organizations, and other entities who are not beneficial owners, may be able to provide a signed statement to the Withholding Agent. However, in such case, the signed statement may require a copy of the beneficial owner's W-8BEN or W-8BEN-E (or other applicable form).

Generally, a non-U.S. Holder whose income with respect to a Secured Medium-Term Note is not effectively connected with the conduct by such non-U.S. Holder of a U.S. trade or business will not be subject to United States federal income taxes on any amount which constitutes capital gain upon sale, exchange, redemption, retirement or disposition of such Secured Medium-Term Note, unless such non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and such gain is derived from sources within the United States. Certain other exceptions may be applicable, and a non-U.S. Holder should consult its tax advisor in this regard.

A non-U.S. Holder whose income with respect to its investment in a Secured Medium-Term Note is effectively connected with the conduct of a U.S. trade or business would generally be taxed as if the holder was a U.S. person provided the holder provides to the Withholding Agent an IRS Form W-8ECI.

The Secured Medium-Term Notes will not be includible in the estate of a non-U.S. Holder unless the individual is a direct or indirect 10% or greater shareholder of ours or, at the time of such individual's death, payments in respect of the Secured Medium-Term Notes would have been effectively connected with the conduct by such individual of a trade or business in the United States.

Backup Withholding and Information Reporting

Backup withholding of United States federal income tax may apply to payments made in respect of the Secured Medium-Term Notes to registered owners who are not "exempt recipients" and who fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Payments made in respect of the Secured Medium-Term Notes to a U.S. Holder must be reported to the IRS, unless the U.S. Holder is an exempt recipient or establishes an exemption. Compliance with the identification procedures described in the preceding section would establish an exemption from backup withholding for those non-U.S. Holders who are not exempt recipients.

In addition, upon the sale of a Secured Medium-Term Note to (or through) a broker, the broker must report the sale and withhold at the statutory applicable rate of the entire purchase price, unless either (i) the broker determines that the seller is a corporation or other exempt recipient or (ii) the seller certifies that such seller is a non-U.S. Holder (and certain other conditions are met). Certification of the registered owner's non-U.S. status generally would be made on a W-8BEN or W-8BEN-E (or other applicable form) under penalties of perjury, although in certain cases it may be possible to submit other documentary evidence.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner generally would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is timely furnished to the IRS.

Foreign Account Tax Compliance

Sections 1471-1474 of the Code and the Treasury Regulations thereunder ("FATCA") impose withholding taxes on certain types of payments made to "foreign financial institutions," as specially defined under FATCA, and certain other non-U.S. entities. FATCA imposes a 30% withholding tax on payments of interest (including original issue discount) on the Secured Medium-Term Notes paid to a foreign financial institution unless the foreign financial institution is deemed to be compliant with FATCA or enters into an agreement with the IRS to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity of a certain type unless the entity certifies that it does not have any substantial U.S. owners or furnishes identifying information to the IRS or to the withholding agent regarding each substantial U.S. owner. Prospective investors should consult their tax advisors regarding the application of FATCA to the acquisition, ownership or disposition of the Secured Medium-Term Notes.

PLAN OF DISTRIBUTION

We are offering the Secured Medium-Term Notes on a continuing basis for sale to or through Barclays Capital Inc., BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, BofA Securities, Inc., CIBC World Markets Corp., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., PNC Capital Markets LLC, RBC Capital Markets, LLC, Scotia Capital (USA) Inc., TD Securities (USA) LLC, U.S. Bancorp Investments, Inc. and Wells Fargo Securities, LLC (collectively, the "Agents"). We and the Agents have entered into a distribution agreement with respect to the Secured Medium-Term Notes. The Agents, individually or in a syndicate, may purchase Secured Medium-Term Notes, as principal, from us from time to time for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by the applicable Agent or, if so specified in the applicable pricing supplement, for resale at a fixed offering price. However, we may agree with an Agent for that Agent to utilize its reasonable efforts on an agency basis on our behalf to solicit offers to purchase Secured Medium-Term Notes at 100% of the principal amount thereof, unless otherwise specified in the applicable pricing supplement. We will pay a commission to an Agent, ranging from .150% to .750% of the principal amount of each Secured Medium-Term Note, depending upon its stated maturity, sold through that Agent as our agent. In addition, we estimate our expenses incurred in connection with the offering and sale of the Secured Medium-Term Notes, including reimbursement of certain of the Agents' expenses, will total approximately \$5,200,000.

Unless otherwise specified in the applicable pricing supplement, any Secured Medium-Term Note sold to an Agent as principal will be purchased by that Agent at a price equal to 100% of the principal amount thereof less a percentage of the principal amount equal to the commission applicable to an agency sale of a Secured Medium-Term Note of identical maturity. An Agent may sell Secured Medium-Term Notes it has purchased from us as principal to certain dealers less a concession equal to all or any portion of the discount received in connection with that purchase. An Agent may allow, and dealers may reallow, a discount to certain other dealers. After the initial offering of Secured Medium-Term Notes, the offering price (in the case of Secured Medium-Term Notes to be resold on a fixed offering price basis), the concession and the reallowance may be changed.

We reserve the right to withdraw, cancel or modify the offer made hereby without notice and may reject offers in whole or in part (whether placed directly by us or through an Agent). Each Agent will have the right, in its discretion reasonably exercised, to reject in whole or in part any offer to purchase Secured Medium-Term Notes received by it on an agency basis.

Unless otherwise specified in the applicable pricing supplement, you will be required to pay the purchase price of your Secured Medium-Term Notes in immediately available funds in The City of New York on the date of settlement.

Upon issuance, the Secured Medium-Term Notes will not have an established trading market. The Secured Medium-Term Notes will not be listed on any securities exchange. The Agents may from time to time purchase and sell Secured Medium-Term Notes in the secondary market, but the Agents are not obligated to do so, and there can be no assurance that a secondary market for the Secured Medium-Term Notes will develop, be maintained or be liquid. From time to time, the Agents may make a market in the Secured Medium-Term Notes, but the Agents are not obligated to do so and may discontinue any market-making activity at any time.

In connection with certain offerings of Secured Medium-Term Notes, the Agents may engage in over-allotment stabilizing transactions and syndicate covering transactions in accordance with Regulation M under the Exchange Act. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of Secured Medium-Term Notes. If those Agents create a short position in Secured Medium-Term Notes, *i.e.*, if they sell Secured Medium-Term Notes in an amount exceeding the amount referred to in the applicable pricing supplement, they may reduce that short position by purchasing Secured Medium-Term Notes in the open market. In general, purchases of Secured Medium-Term Notes for the purpose of stabilization or to reduce a short position could cause the price of Secured Medium-Term Notes to be higher than it might be in the absence of these types of purchases.

The Agents also may impose a penalty bid. This occurs when a particular Agent repays to the Agents a portion of the commission received by it because the representatives of the Agents have repurchased notes sold by or for the account of such Agent in stabilizing or short covering transactions.

Neither we nor any Agent makes any representation or prediction as to the direction or magnitude of any effect that the transactions described in the two immediately preceding paragraphs may have on the price of Secured Medium-Term Notes. In addition, neither we nor any Agent makes any representation that the Agents will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The names of the applicable Agents or other persons through which we sell any Secured Medium-Term Notes, as well as any commissions or discounts payable to those persons, will be set forth in the applicable pricing supplement.

The Agents may be deemed to be “underwriters” within the meaning of the Securities Act. We have agreed to indemnify the several Agents against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Agents may be required to make in respect thereof.

The Agents and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the Agents and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us and certain of our affiliates, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve our securities and/or instruments. The Agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Note Trustee is an affiliate of BNY Mellon Capital Markets, LLC and the Mortgage Trustee is an affiliate of U.S. Bancorp Investments, Inc., each an Agent. In addition, Thomas A. Renyi, retired Executive Chairman of the Note Trustee, is a member of the Board of Directors of our parent, PSEG.

Notice to Prospective Investors in Canada

The Secured Medium-Term Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Secured Medium-Term Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement, the accompanying prospectus and any related pricing supplement (including any amendment thereto) contain a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the Agents are not required to comply with the disclosure requirements of NI 33-105 regarding conflicts of interest in connection with any offering of Secured Medium-Term Notes.

Notice to Prospective Investors in the European Economic Area

None of this prospectus supplement, the accompanying prospectus nor any related pricing supplement is a prospectus for the purposes of the Prospectus Regulation (as defined below). This prospectus supplement, the accompanying prospectus and any related pricing supplement have been prepared on the basis that any offer of Secured Medium-Term Notes in any Member State of the European Economic Area (the “EEA”) will only be made to a legal entity which is a qualified investor under the Prospectus Regulation (“Qualified Investor”). Accordingly, any person making or intending to make an offer in that Relevant Member State of Secured Medium-Term Notes which are the subject of the offering contemplated in this prospectus supplement, the accompanying prospectus and any related pricing supplement may only do so with respect to Qualified Investors. Neither PSE&G nor the Agents have authorized, nor do they authorize, the making of any offer of Secured Medium-Term Notes other than to Qualified Investors. The expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Prohibition of Sales to EEA Retail Investors. The Secured Medium-Term Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation; and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Secured Medium-Term Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Secured Medium-Term Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “PRIIPs Regulation”) for offering or selling the Secured Medium-Term Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Secured Medium-Term Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II Product Governance / Target Market. The pricing supplement in respect of any Secured Medium-Term Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Secured Medium-Term Notes and which channels for distribution of the Secured Medium-Term Notes are appropriate. Any person subsequently offering, selling or recommending the Secured Medium-Term Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Secured Medium-Term Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Agent subscribing for any Secured Medium-Term Notes is a manufacturer in respect of such Secured Medium-Term Notes, but otherwise none of the Agents nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules. PSE&G makes no representation or warranty as to any manufacturer’s or distributor’s compliance with the MiFID Product Governance Rules.

Notice to Prospective Investors in the United Kingdom

The communication of this prospectus supplement, the accompanying prospectus, any related pricing supplement and any other document or materials relating to the issue of the Secured Medium-Term Notes is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (the “FSMA”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “relevant persons”).

In the United Kingdom, the Secured Medium-Term Notes are only available to, and any investment or investment activity to which this prospectus supplement, the accompanying prospectus and any related pricing supplement relate will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this prospectus supplement, the accompanying prospectus or any related pricing supplement or any of their contents.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the Secured Medium-Term Notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to PSE&G.

All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to the Secured Medium-Term Notes in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Hong Kong

The Secured Medium-Term Notes have not been offered or sold and will not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32) of Hong Kong, or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32) of Hong Kong, and no advertisement, invitation or document relating to the Secured Medium-Term Notes has been issued or has been in the possession of any person for the purposes of issue, or will be issued or will be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Secured Medium-Term Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Notice to Prospective Investors in Japan

The Secured Medium-Term Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended (the Financial Instruments and Exchange Law)) and each Agent is deemed to have acknowledged and agreed that it has not offered or sold and will not offer or sell the Secured Medium-Term Notes, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to, or for the account or benefit of, others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Singapore

This prospectus supplement, the accompanying prospectus and any related pricing supplement have not been registered as prospectuses under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) by the Monetary Authority of Singapore, and the offer of the Secured Medium-Term Notes in Singapore is made primarily pursuant to the exemptions under Sections 274 and 275 of the SFA. Accordingly, this prospectus supplement, the accompanying prospectus, any related pricing supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Secured Medium-Term Notes may not be circulated or distributed, nor may the Secured Medium-Term Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor as defined in Section 4A of the SFA (an “Institutional Investor”) pursuant to Section 274 of the SFA, (ii) to an accredited investor as defined in Section 4A of the SFA (an “Accredited Investor”) or other relevant person as defined in Section 275(2) of the SFA (a “Relevant Person”) and pursuant to Section 275(1) of the SFA, or to any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 or (iii) otherwise pursuant to, and in accordance with, the conditions of any other applicable exemption or provision of the SFA.

It is a condition of the offer that where the Secured Medium-Term Notes are subscribed for or acquired pursuant to an offer made in reliance on Section 275 of the SFA by a Relevant Person which is: (a) a corporation (which is not an Accredited Investor), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an Accredited Investor; or (b) a trust (where the trustee is not an Accredited Investor), the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an Accredited Investor, securities or securities-based derivatives contracts (each as defined in Section 2(1) of the SFA) of that corporation, and the beneficiaries' rights and interest (howsoever described) in that trust, shall not be transferred within six months after that corporation or that trust has subscribed for or acquired the Secured Medium-Term Notes except: (1) to an Institutional Investor, or an Accredited Investor or other Relevant Person, or which arises from an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or Section 276(4)(i)(B) of the SFA (in the case of that trust); (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

Singapore Securities and Futures Act Product Classification - Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, PSE&G has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Secured Medium-Term Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the Secured Medium-Term Notes described herein. The Secured Medium-Term Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. None of this prospectus supplement, the accompanying prospectus, any related pricing supplement nor any other offering or marketing material relating to the Secured Medium-Term Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and none of this prospectus supplement, the accompanying prospectus, any related pricing supplement nor any other offering or marketing material relating to the Secured Medium-Term Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Taiwan

The Secured Medium-Term Notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China ("Taiwan"), pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in any manner which would constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or would otherwise require registration with or the approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the Secured Medium-Term Notes in Taiwan.

LEGAL MATTERS

The legality of the Pledged Bond and Secured Medium-Term Notes will be passed on for us by Tamara L. Linde, Esquire, our Executive Vice President and General Counsel, or Shawn P. Leyden, Esquire, Vice President and Deputy General Counsel of our affiliate, PSEG Services Corporation, each of whom may rely on the opinion of Ballard Spahr LLP, of Philadelphia, Pennsylvania, as to matters of Pennsylvania law. Sidley Austin LLP, New York, New York, will act as counsel for the Agents and may rely on the opinion of Ms. Linde or Mr. Leyden as to matters of New Jersey law and on the opinion of Ballard Spahr LLP as to matters of Pennsylvania law. Ms. Linde and Mr. Leyden each beneficially owns or has rights to acquire an aggregate of less than 0.01% of PSEG's common stock. Sidley Austin LLP has from time to time represented, and continues to represent, PSE&G and its affiliates in connection with certain unrelated legal matters.

EXPERTS

The consolidated financial statements and the related consolidated financial statement schedule, incorporated in this prospectus supplement by reference from our Annual Report on Form 10-K for the year ended December 31, 2018 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements and consolidated financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

PROSPECTUS



First and Refunding Mortgage Bonds Secured Medium-Term Notes

Public Service Electric and Gas Company ("PSE&G") may offer from time to time, together or separately, one or more series of its First and Refunding Mortgage Bonds and/or Secured Medium-Term Notes.

When a particular series of First and Refunding Mortgage Bonds or Secured Medium-Term Notes is offered, PSE&G will prepare a prospectus supplement setting forth the particular terms of the offered securities. You should carefully read this prospectus, any prospectus supplement, any pricing supplement and any free writing prospectus relating to such offering and the documents incorporated by reference herein and therein before you make any decision to invest in any securities that may be offered.

The First and Refunding Mortgage Bonds and Secured Medium-Term Notes may be offered in amounts, at initial offering prices and on terms to be determined at the time of offering.

PSE&G will sell the First and Refunding Mortgage Bonds and Secured Medium-Term Notes as set forth in the "Plan of Distribution" in this prospectus or in accordance with the procedures set forth in any applicable prospectus supplement.

This prospectus may not be used to consummate sales of the securities without the delivery of one or more prospectus supplements or pricing supplements.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Investing in the First and Refunding Mortgage Bonds or Secured Medium-Term Notes involves risks. You should carefully consider the information in the section entitled "Risk Factors" contained in PSE&G's most recently filed Annual Report on Form 10-K and its other periodic reports filed with the Securities and Exchange Commission and incorporated by reference into this prospectus before you invest.

The date of this prospectus is November 17, 2017.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that PSE&G filed with the Securities and Exchange Commission (the "SEC") using a "shelf" registration process. Under this shelf process, PSE&G may, from time to time, sell the securities described in this prospectus or combinations thereof in one or more offerings of one or more series.

Under the shelf process, PSE&G may, from time to time, sell the First and Refunding Mortgage Bonds (we refer to these bonds and other bonds issued or issuable under the Mortgage (as defined herein) as "Mortgage Bonds") or our Secured Medium-Term Notes described in this prospectus in one or more offerings of one or more series. Each time PSE&G sells these securities, it will provide a prospectus supplement that will contain specific information about the terms of that offering.

As allowed by the SEC rules, this prospectus does not contain all of the information included in the registration statement. For further information, we refer you to the registration statement including its exhibits and documents incorporated by reference. Statements contained in this prospectus about the provisions or contents of any agreement or other document are not necessarily complete. If the SEC's rules and regulations require that an agreement or document be filed as an exhibit to the registration statement, please see that agreement or document for a complete description of its provisions.

You should read this prospectus, and any prospectus supplement, free writing prospectus and pricing supplement, including in each case, information incorporated by reference together with any additional information you may need to make your investment decision. You should also read and carefully consider the information in the documents we have referred you to in "Where You Can Find More Information" below.

Information in any applicable prospectus supplement, pricing supplement or free writing prospectus or that is incorporated by reference after the date of this prospectus is considered a part of this prospectus and may add to, update or change information contained in this prospectus. Any information in such subsequent filings that is inconsistent with this prospectus will supersede the information in this prospectus.

You should rely only on the information provided or incorporated by reference in this prospectus and any prospectus supplement, any free writing prospectus and any pricing supplement relating to an offering. We have not authorized anyone else to provide you with other information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus, any prospectus supplement, any free writing prospectus, any pricing supplement or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, prospects, financial condition, results of operations and cash flows may have changed since that date.

In this prospectus, unless otherwise stated, or the context otherwise requires, references to "we," "us" and "our" are to Public Service Electric and Gas Company and its consolidated subsidiaries.

We sometimes refer to our First and Refunding Mortgage Bonds and our Secured Medium-Term Notes that may be offered under this prospectus collectively as the "Securities."

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC. You may read and copy any material on file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our filings are also available to the public over the Internet on the SEC's web site at <http://www.sec.gov>, as well as on our web site at <http://www.pseg.com>. None of the information contained at any time on our web site is incorporated by reference into this prospectus.

The SEC allows us to "incorporate by reference" documents that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference or deemed incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will be deemed to automatically update and supersede this incorporated information. We incorporate by reference the following documents filed with the SEC.

- Our Annual Report on Form 10-K for the year ended December 31, 2016;

- Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017; and
- Our Current Reports on Form 8-K filed on May 5, 2017 and May 10, 2017.

We also incorporate by reference any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on or after the date of this prospectus and prior to the termination of any particular offering, except, in each case, for current reports on Form 8-K containing only disclosure furnished under Item 2.02 or 7.01 of Form 8-K and exhibits relating to such disclosure, unless otherwise specifically stated in the Form 8-K or the prospectus supplement or pricing supplement for such offering.

Certain of the documents incorporated by reference in this prospectus are combined documents that are separately filed by Public Service Enterprise Group Incorporated ("PSEG"), PSE&G and PSEG Power LLC. Only information relating to PSE&G in such documents has been incorporated by reference in this prospectus.

You can get a free copy of any of the documents incorporated by reference in this prospectus by making an oral or written request directed to:

Vice President, Investor Relations
PSEG Services Corporation
80 Park Plaza, 4th Floor
Newark, NJ 07102
Telephone (973) 430-6565

FORWARD-LOOKING STATEMENTS

This prospectus or other offering materials may contain or incorporate by reference statements about our and our subsidiaries' future performance, including, without limitation, future revenues, earnings, strategies, prospects, consequences and all other statements that are not purely historical that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. When used herein, the words "anticipate," "intend," "estimate," "believe," "expect," "plan," "should," "hypothetical," "potential," "forecast," "project," variations of such words and similar expressions are intended to identify forward-looking statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Other factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed in filings we make with the SEC, including our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K. These factors include, but are not limited to:

- changes in technology related to energy distribution and consumption and customer usage patterns;
- economic downturns;
- adverse performance of our defined benefit plan trust fund investments and changes in funding requirements;
- changes in state and federal legislation and regulations;
- the impact of pending rate case proceedings;
- adverse changes in energy industry laws, policies and regulations, including market structures and transmission planning;
- changes in federal and state environmental regulations and enforcement;
- delays in receipt of, or an inability to receive, necessary licenses and permits;
- adverse outcomes of any legal, regulatory or other proceeding, settlement, investigation or claim applicable to us and/or the energy industry;
- changes in tax laws and regulations;
- lack of growth or slower growth in the number of customers or changes in customer demand;
- any inability to successfully develop or construct transmission and distribution projects;
- any equipment failures, accidents, severe weather events or other incidents that impact our ability to provide safe and reliable service to our customers;
- any inability to maintain sufficient liquidity;
- any inability to realize anticipated tax benefits or retain tax credits;
- challenges associated with recruitment and/or retention of key executives and a qualified workforce;
- the impact of our covenants in our debt instruments on our operations; and
- the impact of acts of terrorism, cybersecurity attacks or intrusions.

Additional information concerning these factors is set forth or referred to under "Risk Factors."

All of the forward-looking statements made in this prospectus and the other offering materials are qualified by these cautionary statements and we cannot assure you that the results or developments anticipated by management will be realized or even if realized, will have the expected consequences to, or effects on, us or our business, prospects, financial condition, results of operations or cash flows. Readers are cautioned not to place undue reliance on these forward-looking statements in making any investment decision. Forward-looking statements made in this prospectus or other offering materials apply only as of the date of this prospectus or

such other offering materials. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even in light of new information or future events, unless otherwise required by applicable securities laws.

The forward-looking statements contained in this prospectus and the other offering materials are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

We are a public utility engaged principally in the transmission of electricity and distribution of electricity and natural gas in certain areas of New Jersey. We provide distribution service to electric and gas customers in a service area that runs diagonally across New Jersey. We serve the most heavily populated, commercialized and industrialized territory in New Jersey. Our load requirements are split among residential, commercial and industrial customers. We believe that we have all the franchises (including consents) necessary for our electric and gas distribution operations in the territory we serve. Such franchise rights are not exclusive.

We are subject to regulation by the New Jersey Board of Public Utilities ("BPU") and the Federal Energy Regulatory Commission ("FERC"). Revenues for our electric transmission services are based upon tariffs approved by the FERC. Revenues for our electric distribution and gas delivery services are based upon tariffs approved by the BPU. We also provide non-tariff competitive services, such as appliance repair services, as well as energy efficiency programs, and develop, install and operate solar power systems, subject to BPU regulations.

PSE&G is a New Jersey corporation and all of its common stock is owned by PSEG. Its principal office is located at 80 Park Plaza, Newark, New Jersey 07102 and its telephone number is 973-430-7000.

RISK FACTORS

Before making a decision to invest in the securities described in this prospectus, prospective investors should carefully consider the risks described in PSE&G's most recently filed Annual Report on Form 10-K and its other periodic reports filed with the SEC and incorporated by reference into this prospectus, as well as those risks that may be included in the applicable prospectus supplement, free writing prospectus or pricing supplement. Such factors could have a material adverse effect on our business, prospects, financial position, results of operations or cash flows and on the trading price of our securities. Such factors could affect actual results and cause our results to differ materially from those expressed in any forward-looking statements made by, or on behalf, of us. See "Forward-Looking Statements."

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

Our consolidated ratios of earnings to fixed charges for each of the periods indicated are as follows:

	Nine Months Ended September 30, 2017	Years Ended December 31,				
		2016	2015	2014	2013	2012
Ratios of Earnings to Fixed Charges ¹	5.87	5.39	5.05	4.82	4.09	3.62

¹ The term "earnings" is defined as pre-tax income from continuing operations. Add to pre-tax income the amount of fixed charges adjusted to exclude the amount of any interest capitalized during the period and the actual amount of any preferred securities dividend requirements of majority owned subsidiaries. Fixed Charges represent (a) interest, whether expensed or capitalized, (b) amortization of debt discount, premium and expense, (c) an estimate of interest implicit in rentals and (d) preferred securities dividend requirements of majority owned subsidiaries, increased to reflect the pre-tax earnings requirement for PSE&G.

USE OF PROCEEDS

Unless we state otherwise in the prospectus supplement for a particular offering, the net proceeds from the sale of the Mortgage Bonds and Secured Medium-Term Notes will be added to our general funds and will be used for general corporate purposes, including the redemption or refunding of our outstanding indebtedness.

DESCRIPTION OF THE MORTGAGE BONDS

The Mortgage Bonds are to be issued under and secured by the indenture dated August 1, 1924, between us and U.S. Bank National Association (successor to Fidelity Union Trust Company), as Trustee (the "Mortgage Trustee"), as amended and supplemented by the supplemental indentures now in effect and, for each series of such Mortgage Bonds, a new supplemental indenture to be dated the first day of the month in which such series of the Mortgage Bonds are issued (the "New Supplements"). The indenture, supplemental indentures and the form of supplemental indenture are hereinafter collectively called the "Mortgage" and are filed as exhibits to the registration statement of which this prospectus is a part. The following description summarizes the material provisions of the Mortgage. It does not, however, describe every aspect of the Mortgage and the Mortgage Bonds. For a complete statement of such provisions, reference is made to the above-mentioned Exhibits and to the particular Articles and Sections of the Mortgage. A copy of the Mortgage, including a proposed New Supplement, may be inspected at the office of the Mortgage Trustee at 21 South Street, Morristown, New Jersey or at the office of the SEC, 100 F Street, N.E., Washington, D.C. 20549. Each time we sell Mortgage Bonds, we will also provide a prospectus supplement that will contain specific information about the terms of that offering. In this section, references to "we", "our" and "us" refer to Public Service Electric and Gas Company without its consolidated subsidiaries.

Mortgage Bonds will be issuable only in fully registered form in denominations of \$1,000 and any multiple thereof. Mortgage Bonds will be transferable, and the several denominations thereof will be exchangeable for Mortgage Bonds of other authorized denominations, upon compliance with the applicable provisions of the Mortgage. No service charge will be made for any such transfer or exchange, but we may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Mortgage does not contain any covenant or other provision that specifically is intended to afford holders of the Mortgage Bonds protection in the event of a highly leveraged or similar transaction.

The Mortgage and the Mortgage Bonds will be governed by, and construed in accordance with, the laws of the State of New Jersey.

Interest, Maturity and Payment

See the prospectus supplement for the applicable series of Mortgage Bonds.

Redemption

See the prospectus supplement for the applicable series of Mortgage Bonds.

Lien and Security

Mortgage Bonds sold pursuant to this prospectus will be secured by the lien of the Mortgage equally and proportionately with all other Mortgage Bonds. The Mortgage is a first lien on all of our property and franchises now owned or hereafter acquired (except cash, accounts and bills receivable, merchandise bought, sold or manufactured for sale in the ordinary course of business, stocks, bonds or other corporate obligations or securities, other than those now or hereafter specifically pledged thereunder, not acquired with the proceeds of Mortgage Bonds) (the effectiveness of the after-acquired property clause being subject to certain possible exceptions under New Jersey law which we do not regard as of practical importance), subject only (i) to liens for taxes, assessments and governmental charges and other liens, encumbrances and rights, none of which liens, encumbrances or rights, in our opinion, materially affects the use of the mortgaged property or the value thereof as security for the Mortgage Bonds, (ii) to the lien of the Mortgage Trustee for compensation, expenses and indemnity to which it may be entitled under the Mortgage and (iii) as to after-acquired property, to encumbrances, if any, existing thereon at the time of acquisition.

Under New Jersey law, the State of New Jersey owns in fee simple for the benefit of the public schools all lands now or formerly flowed by the tide up to the mean high-water line, unless it has made a valid conveyance of its interest in such property. In 1981, because of uncertainties raised as to possible claims of State ownership, the New Jersey Constitution was amended to provide that lands formerly tidal-flowed, but which were not then tidal-flowed at any time for a period of forty years, were not subject to State claims unless the State specifically defined and asserted a claim within the one-year period ending November 2, 1982. As a result, the state published maps of the eastern (Atlantic) coast of New Jersey depicting claims to portions of many properties, including certain properties we own. We believe that we have good title to such properties and will vigorously defend our title, or will obtain such grants from the State as may ultimately be required. The cost to acquire any such grants may be covered by title insurance policies. Assuming that all of such State claims were determined adversely to us, they would relate to land, which, together with the improvements thereon, would amount to less than 1.0% of our net plant in service. No maps depicting State claims to property owned by us on the western (Delaware River) side of New Jersey were published with the one-year period mandated by the Constitutional Amendment. Nevertheless, we believe that we have obtained all necessary grants from the State for our improved properties along the Delaware River.

The after-acquired property clause may not be effective as to property acquired subsequent to the filing of a petition with respect to us under the Federal Bankruptcy Code.

Our property subject to the lien of the Mortgage consists principally of our transmission lines, distribution lines, switching stations and substations and our gas production plants and gas distribution facilities, and includes our undivided interests as a tenant in common without right of partition in jointly-owned gas production facilities and electric transmission lines.

Issuance of Mortgage Bonds

Mortgage Bonds may be authenticated and delivered in a principal amount not exceeding 60% of the cost or fair value to us (whichever is less) of additions or permanent improvements to the mortgaged property within 250 miles of Newark, New Jersey, after deducting the cost of property permanently abandoned and the difference between the cost and the net amount realized on the sale of property sold at a price to net less than half of its cost; but only if our unconsolidated net earnings (before income taxes, amortization of debt discount and expense and fixed charges), for twelve consecutive months within the fifteen months preceding the application for the authentication of such additional Mortgage Bonds, shall have been at least twice our fixed charges, including interest on the Mortgage Bonds applied for. The principal amount of additional Mortgage Bonds which may be issued on account of the acquisition of property subject to prior liens is that amount which might be issued if there were no such liens, less the principal amount of obligations secured by such liens and not then deposited with the Mortgage Trustee.

Mortgage Bonds may also be authenticated and delivered under the Mortgage from time to time, in a principal amount equal to the principal amount of Mortgage Bonds (excluding Mortgage Bonds retired through a sinking fund or by the application of the proceeds of released property) or certain prior debt bonds purchased, paid, refunded or retired by us and deposited with the Mortgage Trustee, upon such deposit.

Mortgage Bonds may also be issued:

- in a principal amount not exceeding the amount of cash deposited by us with the Mortgage Trustee, to be subsequently withdrawn on account of additions or improvements or as otherwise permitted by the Mortgage, upon compliance with the conditions which, at the time of withdrawal, would authorize the authentication of Mortgage Bonds in an amount equal to the cash withdrawn; or
- in a principal amount not exceeding the principal amount of matured or maturing Mortgage Bonds or prior debt bonds, to provide for the payment or purchase thereof, within 12 months before maturity (including a maturity resulting from a call for redemption) or at or after maturity, provided that cash equal to the principal amount of the Mortgage Bonds so issued is simultaneously deposited with the Mortgage Trustee in exchange therefor.

All new Mortgage Bonds will be issued under one of the above provisions.

Maintenance and Depreciation Provisions

We must maintain the useful physical property subject to the Mortgage in good and businesslike working order and condition and make all needful and proper repairs, replacements and improvements thereto. We must also maintain a reserve for renewals and replacements, reasonable according to the current standard practice of gas and electric utility companies or as approved or fixed by the BPU.

The New Supplements will contain no maintenance provisions with respect to new Mortgage Bonds.

Dividend Restrictions

So long as there remain outstanding any Mortgage Bonds (other than the Bonds of the 5% Series due 2037 and the 8% Series due 2037), we may not pay any dividend on our common stock other than dividends payable in shares of such stock, or make any other distribution thereon or purchase or otherwise acquire for value any such stock, if such action would reduce our earned surplus below \$10,000,000 less all amounts on our books on December 31, 1948, which shall have been thereafter required to be removed, in whole or in part, therefrom by charges to earned surplus pursuant to any order or rule of any regulatory body thereafter entered.

Amendment of Mortgage

The Mortgage may be modified by us and the Mortgage Trustee with the consent of the holders of 85% in principal amount of the Mortgage Bonds then outstanding (as defined in the Mortgage for such purposes), including, if the modification affects less than all series of Mortgage Bonds outstanding, the holders of 85% in principal amount of the outstanding Mortgage Bonds of each series affected, and excluding Mortgage Bonds owned or controlled by us or by parties owning at least 10% of our outstanding voting stock. No such change, however, may alter the interest rate, redemption price or date, maturity date, or amount payable at maturity of any outstanding Mortgage Bond or conflict with the Trust Indenture Act of 1939 as then in effect (the "TIA").

Release and Substitution of Property

Cash proceeds of released property held by the Mortgage Trustee:

- may be paid to us to reimburse us for the full cost or fair value, whichever be less, of additions or improvements permitted under the Mortgage to be used as the basis for the issuance of additional Mortgage Bonds, without any net earnings requirement;
- may be paid to us in an amount equal to the principal amount of Mortgage Bonds or certain prior debt bonds purchased, paid, refunded or retired by us and deposited with the Mortgage Trustee;
- may be invested in obligations of the United States; or
- may be utilized by the Mortgage Trustee for the purchase or redemption of Mortgage Bonds at the lowest prices obtainable.

The Mortgage Trustee must release pledged prior debt bonds of any issue if all prior debt bonds of such issue have been pledged and there is no lien on any of the mortgaged property senior to the lien of the Mortgage but junior to the lien of the prior debt bonds to be released. The Mortgage Trustee must release franchises surrendered and structures removed or abandoned by us pursuant to a legal requirement or an agreement with a state or political subdivision thereof.

Certain additional provisions as to the release of property are referred to above under "— Issuance of Mortgage Bonds" and "— Maintenance and Depreciation Provisions."

Defaults

The following constitute events of default under the Mortgage:

- default in the payment of the principal of any Mortgage Bonds or prior debt bonds;
- default, continued for three months, in the payment of interest on any Mortgage Bonds or in the payment of any installment of any sinking fund provided for any series of Mortgage Bonds;

- default, continued for three months after written notice to us from the Mortgage Trustee or the holders of 5% in principal amount of the outstanding Mortgage Bonds, in the observance or performance of any other covenant or condition in the Mortgage; and
- the adjudication of PSE&G as a bankrupt, the appointment of a receiver for us or our property or the approval of a petition for our reorganization under the Federal Bankruptcy Code, if no appeal from such action is taken within 30 days, or on the same becoming final.

The holders of 25% in principal amount of the Mortgage Bonds then outstanding (or a majority in principal amount of the Mortgage Bonds of any series in default, if default occurs in payments due with respect to Mortgage Bonds of less than all series) may require the Mortgage Trustee to take all steps needful for the protection and enforcement of the rights of the Mortgage Trustee and of the holders of Mortgage Bonds. The holders of 76% in principal amount of the Mortgage Bonds then outstanding have the right to direct and control the action of the Mortgage Trustee in any judicial or other proceedings to enforce the Mortgage.

If a default in the payment of principal, interest or sinking fund installment affects exclusively the Mortgage Bonds of one or more series, the holders of a majority of the outstanding Mortgage Bonds of the series so affected may require the Mortgage Trustee to accelerate the maturity of such Mortgage Bonds and also may require the Mortgage Trustee to take other action for the protection of such bondholders.

Certificate of Compliance

The Mortgage does not require us to furnish to the Mortgage Trustee any periodic evidence as to the absence of default or as to compliance with the terms of the Mortgage. However, pursuant to the provisions of the TIA, we are required to certify to the Mortgage Trustee, not less than annually, our compliance with all conditions and covenants under the Mortgage.

Concerning the Paying Agent

U.S. Bank National Association, the Mortgage Trustee, is a paying agent under the Mortgage. We maintain other normal banking relationships with U.S. Bank National Association. See “— The Mortgage Trustee” below.

Book-Entry Mortgage Bonds

Mortgage Bonds of a series may be issued, in whole or in part, in global form (a “Global Security”) that will be deposited with, or on behalf of, a depository identified in the prospectus supplement. Mortgage Bonds represented by a Global Security may be issued in either registered or bearer form and in either temporary or permanent form. Unless otherwise provided in the prospectus supplement, Mortgage Bonds that are represented by a Global Security will be issued in denominations of \$1,000 and multiples thereof, and will be issued in registered form only, without coupons. Payments of principal of (and premium, if any) and interest, if any, on Mortgage Bonds represented by a Global Security will be made by us to the Mortgage Trustee, and then by the Mortgage Trustee to the depository.

We anticipate that any Global Securities will be deposited with, or on behalf of, The Depository Trust Company (“DTC”), New York, New York, that such Global Securities will be registered in the name of DTC’s nominee, and that the following provisions will apply to the depository arrangements with respect to any such Global Securities. Additional or differing terms of the depository arrangements will be described in the prospectus supplement.

So long as DTC or its nominee is the registered owner of a Global Security, DTC or its nominee, as the case may be, will be considered the sole holder of the Mortgage Bonds represented by such Global Security for all purposes under the Mortgage. Except as provided below, owners of beneficial interests in a Global Security will not be entitled to have Mortgage Bonds represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of Mortgage Bonds in certificated form and will not be considered the owners or holders thereof under the Mortgage. The laws of some states require that certain purchasers of securities take physical delivery of such securities in certificated form; such laws may limit the transferability of beneficial interests in a Global Security.

If

- DTC is at any time unwilling, unable or ineligible to continue as depository and a successor depository is not appointed by us within 90 days following notice to us;
- we determine, in our sole discretion, not to have any Mortgage Bonds represented by one or more Global Securities; or
- an event of default under the Mortgage has occurred and is continuing,

then we will issue individual Mortgage Bonds in certificated form in exchange for the relevant Global Securities. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to physical delivery of individual Mortgage Bonds in certificated form of like tenor and rank, equal in principal amount to such beneficial interest and to have such Mortgage Bonds in certificated form registered in its name. Unless otherwise provided in the prospectus supplement, Mortgage Bonds so issued in certificated form will be issued in denominations of \$1,000 or multiples thereof and will be issued in registered form only, without coupons.

The following is based on information furnished by DTC and applies to the extent that it is the depository, unless otherwise provided in the prospectus supplement:

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with it. DTC also facilitates the post-trade settlement among its participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges in its participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct participants of DTC include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation. The Depository Trust & Clearing Corporation is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. The Depository Trust & Clearing Corporation is owned by the users of its regulated subsidiaries. Access to DTC’s system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. DTC rules applicable to its participants are on file with the SEC.

Except as otherwise provided in this prospectus or a prospectus supplement, purchases of Mortgage Bonds under DTC’s system must be made by or through direct participants, which will receive a credit for those Mortgage Bonds on DTC’s records. The beneficial ownership interest of each actual purchaser of each Mortgage Bond represented by a Global Security (“beneficial owner”) is in turn to be recorded on the records of the direct and indirect participants’ records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in a Global Security representing Mortgage Bonds are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners of a Global Security representing Mortgage Bonds will not receive certificates representing their ownership interests in a Global Security, except in the event that use of the book-entry system for those Mortgage Bonds is discontinued.

To facilitate subsequent transfers, all Global Securities representing Mortgage Bonds deposited by direct participants with DTC are registered in the name of DTC’s nominee, Cede & Co. (“Cede”), or such other name as may be requested by an authorized representative of DTC. The deposit of Global Securities with DTC and their registration in the name of Cede or such other nominee of DTC do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Global Securities representing the Mortgage Bonds; DTC’s records reflect only the identity of the direct participants to whose accounts such Mortgage Bonds are credited, which may or may not be the beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If applicable, redemption notices will be sent to Cede. If less than all of the Mortgage Bonds within a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in that issue to be redeemed.

Neither DTC nor Cede (nor any other nominee of DTC) will consent or vote with respect to the Global Securities representing Mortgage Bonds unless authorized by a direct participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the applicable record date. The omnibus proxy assigns Cede's consenting or voting rights to those direct participants to whose accounts book-entry securities are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds, distributions and dividend payments on the Global Securities representing the Mortgage Bonds will be made to Cede, or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts, upon DTC's receipt of funds and corresponding detailed information from us or the Mortgage Trustee, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of DTC, the Mortgage Trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the Mortgage Trustee, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

A beneficial owner will give notice of any option to elect to have its Mortgage Bonds purchased or tendered, through its participant, to the Mortgage Trustee, and will effect delivery of such Mortgage Bonds by causing the direct participant to transfer the participant's interest in the Global Security representing those Mortgage Bonds, on DTC's records, to the Mortgage Trustee. The requirement for physical delivery of Mortgage Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Global Security representing those Mortgage Bonds are transferred by direct participants on DTC's records and followed by a book-entry credit of tendered Mortgage Bonds to the Mortgage Trustee's account with DTC.

DTC may discontinue providing its services as depository with respect to Mortgage Bonds at any time by giving reasonable notice to us or the Mortgage Trustee. Under those circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

We may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Unless stated otherwise in the prospectus supplement, the underwriters or agents with respect to a series of Mortgage Bonds issued as Global Securities will be direct participants in DTC.

None of any underwriter or agent, the Mortgage Trustee, the paying agent or us will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in a Global Security, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Resignation and Removal of Mortgage Trustee

The Mortgage Trustee may resign or be removed with respect to one or more series of Mortgage Bonds and a successor Mortgage Trustee may be appointed to act with respect to such series. In the event that two or more persons are acting as Mortgage Trustee with respect to different series of Mortgage Bonds under the Mortgage,

each such Mortgage Trustee shall be a Mortgage Trustee of a trust thereunder separate and apart from the trust administered by any other such Mortgage Trustee, and any action described herein to be taken by the Mortgage Trustee may then be taken by each such Mortgage Trustee with respect to, and only with respect to, the one or more series of Mortgage Bonds for which it is Mortgage Trustee.

The Mortgage Trustee

We maintain ordinary banking relationships with U.S. Bank National Association, including credit facilities and lines of credit. U.S. Bank National Association also serves as trustee under the indenture dated December 1, 2000 with respect to our senior unsecured debt securities and under other indentures under which we or our affiliates are the obligors.

DESCRIPTION OF THE SECURED MEDIUM-TERM NOTES

The Secured Medium-Term Notes will be issued under the Indenture of Trust, dated as of July 1, 1993 (the "Note Indenture"), between us and The Bank of New York Mellon (successor to The Chase Manhattan Bank (National Association)), as trustee (the "Note Trustee"). The Note Indenture is filed as an exhibit to the registration statement of which this prospectus is a part. The following description summarizes the material provisions of the Note Indenture. It does not, however, describe every aspect of the Note Indenture and the Secured Medium-Term Notes. For a complete statement of such provisions, reference is made to the above-mentioned Exhibit and to the particular Articles and Sections of the Note Indenture. A copy of the Note Indenture may be inspected at the office of the Note Trustee at One Wall Street, New York, N.Y. 10286, or at the office of the SEC, 100 F Street, N.E., Washington, D.C. 20549. Each time we sell Secured Medium-Term Notes, we will also provide a prospectus supplement that will contain specific information about the terms of that offering. In this section, references to "we", "our" and "us" refer to Public Service Electric and Gas Company without its consolidated subsidiaries.

Except as may otherwise be provided in any applicable prospectus supplement or pricing supplement, each Secured Medium-Term Note will have the following terms and provisions:

General

The Note Indenture provides that the Secured Medium-Term Notes of any series may be issued at various times, may have differing maturity dates and may bear interest at differing rates. The prospectus supplement relating to each series of Secured Medium-Term Notes will specify the following terms:

- the date of issue;
- the stated maturity date, which will be a date ranging from 1 year to 30 years from the date of issue;
- the interest rate;
- the date(s) on which interest shall be payable and related regular record date(s) if other than as referred to below;
- any optional redemption provisions;
- the purchase price, specified as a percentage of the principal amount thereof;
- issuance in book-entry or certificated form; and
- any other applicable material provisions not otherwise described herein.

The Secured Medium-Term Notes will be issued in United States dollars in minimum denominations of \$1,000 or in any amount in excess thereof that is an integral multiple of \$1,000, except that the denomination of any Secured Medium-Term Note issued in the form of a Global Note (as defined herein) will not exceed the maximum amount as may be specified by the Depository (as defined herein) from time to time. Unless otherwise specified in the applicable prospectus supplement, interest will be payable semi-annually in arrears on January 1 and July 1 of each year (each, an "Interest Payment Date") and on the stated maturity date or date of earlier redemption (the "Maturity Date") and the regular record date relating to an Interest Payment Date other than the Maturity Date will be June 15 and December 15, respectively (each, a "Regular Record Date").

We have designated the Note Trustee as the paying agent and registrar of the Secured Medium-Term Notes. The Secured Medium-Term Notes may be transferred or exchanged at the office of the Note Trustee referred to above. No service charge will be made to register any transfer or exchange of the Notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Note Indenture does not contain any covenant or other provision that specifically is intended to afford the registered holders of the Secured Medium-Term Notes special protection in the event of a highly leveraged or similar transaction.

The Note Indenture and the Secured Medium-Term Notes will be governed by, and construed in accordance with, the laws of the State of New Jersey.

Interest Rates and Payments

Each Secured Medium-Term Note shall bear interest from its date of issue at the rate indicated in the applicable prospectus supplement or pricing supplement; provided, however, that the interest rate on any Secured Medium-Term Note shall not exceed 10% per annum. Interest payments will be made on each Interest Payment Date commencing with the first Interest Payment Date following the date of issue; provided, however, that the first payment of interest on any Secured Medium-Term Note originally issued between a Regular Record Date and an Interest Payment Date or on an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered holder on such succeeding Regular Record Date. Each payment of interest will include interest accrued from and including the date of issue or the immediately preceding Interest Payment Date to but excluding the applicable Interest Payment Date or the Maturity Date, as the case may be. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Interest will be payable on an Interest Payment Date other than the Maturity Date to the registered holder in whose name such Secured Medium-Term Note is registered at the close of business on the applicable Regular Record Date, while interest payable on the Maturity Date will be payable to the person to whom the principal thereof is payable. If interest on an Interest Payment Date other than the Maturity Date is not timely paid when due, the Note Trustee shall establish a special record date at the time when funds become available for payment of interest on the applicable Secured Medium-Term Note, and interest on such Secured Medium-Term Note shall be payable to the person in whose name such Secured Medium-Term Note is registered at the close of business on such special record date.

We anticipate that the Secured Medium-Term Notes will be issued only in the form of one or more Global Notes. The principal of, and premium, if any, and interest on, any Global Note will be paid in the manner described below in "— Book-Entry System". We may also issue Secured Medium-Term Notes in certificated form. Interest on any Secured Medium-Term Note issued in certificated form will be payable on an Interest Payment Date other than the Maturity Date by check payable in clearinghouse or similar next-day funds and mailed on such Interest Payment Date to the registered holder entitled thereto at such registered holder's address as it appears as of the close of business on the Regular Record Date relating to such Interest Payment Date in the register for the Secured Medium-Term Notes maintained by the Note Trustee; provided, however, that each registered holder of one or more Secured Medium-Term Notes in an aggregate principal amount of \$10,000,000 or more (whether or not having identical or different terms and provisions) will be entitled to receive such payments of interest on such date by wire transfer of immediately available funds to a bank within the continental United States or by direct deposit into the account of such registered holder if such account is maintained with the Note Trustee or any paying agent, provided that appropriate wire transfer instructions have been received by the Note Trustee from such registered holder at least five Business Days (as defined herein) prior to the applicable Interest Payment Date. The principal of, and premium, if any, and interest on, any Secured Medium-Term Note issued in certificated form which is due on the Maturity Date will be payable in immediately available funds upon presentation and surrender of such Secured Medium-Term Note on the Maturity Date at the office of the Note Trustee referred to above.

If an Interest Payment Date or the Maturity Date for a Secured Medium-Term Note falls on a day that is not a Business Day, principal, premium, if any, and interest payable with respect to such Interest Payment Date or the Maturity Date, as the case may be, will be paid on the next succeeding Business Day, and no interest will accrue with respect to such required payment for the period from and after such Interest Payment Date or the

Maturity Date, as the case may be. "Business Day" means each day other than a Saturday or Sunday which is not a day on which banking institutions or trust companies in The City of New York are obligated or authorized by law or executive order to close.

Mandatory Redemption

The Secured Medium-Term Notes will be subject to mandatory redemption by us at any time that, pursuant to the provisions of Section 4C of Article Eight of the Mortgage, the proceeds of released property or other moneys held by the Mortgage Trustee are applied to the redemption of the Pledged Bond (as defined herein) that services and secures the particular series of Secured Medium-Term Notes. For purposes of determining which of our Mortgage Bonds are subject to such mandatory redemption, the Mortgage Trustee shall consider the stated annual interest rate of the Pledged Bond and not the weighted average interest rate of the outstanding Secured Medium-Term Notes. The redemption price of the Secured Medium-Term Notes in such cases shall be 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. See "Description of Pledged Bond — Redemption." In case of such redemption, the Note Trustee will give notice of redemption by mail to the registered holders of Secured Medium-Term Notes not less than 30 days nor more than 60 days prior to the date fixed for redemption. If less than all of the Secured Medium-Term Notes of the particular series are to be redeemed, the Note Trustee shall select the particular Secured Medium-Term Notes to be redeemed in such manner as it shall deem appropriate and fair.

Optional Redemption

The applicable prospectus supplement or pricing supplement will specify the additional terms, if any, upon which the Secured Medium-Term Notes may otherwise be redeemed by us. In such case, the Note Trustee will give notice of redemption by mail to the registered holders of Secured Medium-Term Notes not less than 30 days nor more than 60 days prior to the date fixed for redemption. However, in the event that any premium would be due in connection with any Secured Medium-Term Notes to be called for redemption, the Note Trustee is prohibited from calling such Notes for redemption unless we have deposited with the Note Trustee the amount of the premium that would be due and payable on the date fixed for redemption.

Security

Each series of Secured Medium-Term Notes will be serviced and secured equally and ratably by a series of our Mortgage Bonds (the "Pledged Bond"), in an aggregate principal amount equal to the amount of Secured Medium-Term Notes issued and pledged by us and delivered to the Note Trustee in accordance with the Note Indenture. The Pledged Bond services and secures the payment of the principal of, and interest on, the Secured Medium-Term Notes; provided, however, that the Pledged Bond neither services nor secures any premium due in respect of such Secured Medium-Term Notes. The principal amount of the Pledged Bond deemed outstanding will at all times be equal to the outstanding principal amount of the Secured Medium-Term Notes that it services and secures. The Pledged Bond will be deemed to bear interest corresponding to the required payments of interest in respect of such Secured Medium-Term Notes. Payments of principal and interest in respect of the Secured Medium-Term Notes will constitute payments on the Pledged Bond. Each Pledged Bond constitutes a separate series of our Mortgage Bonds, all of which are secured by a lien on substantially all of the property owned by us. The registered holders of the Secured Medium-Term Notes will be entitled to the benefits of the security afforded by such lien on such property only upon the occurrence of an event of default under the Mortgage and acceleration of the principal of our Mortgage Bonds in accordance with the Mortgage. Accordingly, upon the occurrence of an Event of Default under the Note Indenture other than one relating to the acceleration of the principal of the Mortgage Bonds in accordance with the Mortgage, the registered holders of the Secured Medium-Term Notes will not be entitled to take any action with respect to the property securing the Pledged Bond. See "Description of the Pledged Bond."

Events of Default

The Note Indenture provides that the following shall constitute "Events of Default" with respect to any series of Secured Medium-Term Notes:

- default in the payment of principal of, or premium, if any, on, any Secured Medium-Term Note of any series when due and payable;

- default in the payment of interest on any Secured Medium-Term Note of any series when due and payable which continues for 30 days;
- default in the performance or breach of any other covenant or agreement of ours in the Secured Medium-Term Notes of any series or in the Note Indenture and the continuation thereof for 60 days after written notice to us as provided in the Note Indenture;
- the occurrence of an event of default under the Mortgage and acceleration of the principal of our Mortgage Bonds in accordance with the Mortgage; and
- certain events of bankruptcy, insolvency or reorganization.

If an Event of Default, other than one relating to an event of default under the Mortgage, occurs and is continuing, either the Note Trustee or the registered holders of a majority in aggregate principal amount of the outstanding Secured Medium-Term Notes of such series may declare the principal amount of all Secured Medium-Term Notes of such series to be due and payable immediately. At any time after an acceleration of the Secured Medium-Term Notes of such series has been declared, but before a judgment or decree for the immediate payment of the principal amount of such Secured Medium-Term Notes has been obtained and so long as all of our Mortgage Bonds have not been accelerated, the registered holders of a majority in aggregate principal amount of the outstanding Secured Medium-Term Notes of such series may, under certain circumstances, rescind and annul such acceleration and its consequences. If an Event of Default relating to the acceleration of the principal of the Mortgage Bonds in accordance with the Mortgage occurs, the principal of all of the Secured Medium-Term Notes, together with interest accrued thereon, shall become due and payable immediately without the necessity of any action by the Note Trustee or the holders of any Secured Medium-Term Notes; provided, however, that a rescission and annulment of the declaration that our Mortgage Bonds outstanding under the Mortgage be due and payable prior to their stated maturities shall constitute a waiver of such Event of Default and of its consequences.

The Note Indenture contains a provision entitling the Note Trustee, subject to the duty of the Note Trustee during default to act with the required standard of care, to be indemnified by the registered holders of the Secured Medium-Term Notes of any series before proceeding to exercise any right or power under the Note Indenture with respect to such series at the request of such registered holders. The Note Indenture provides that no registered holders of Secured Medium-Term Notes of any series may institute any proceedings, judicial or otherwise, to enforce the Note Indenture except in the case of failure of the Note Trustee, for 60 days, to act after it has received a written request to enforce such Note Indenture by the registered holders of at least 25% in aggregate principal amount of the then outstanding Secured Medium-Term Notes of such series and an offer of reasonable indemnity. This provision will not prevent any registered holder of Secured Medium-Term Notes from instituting any proceedings to enforce payment of the principal thereof (and premium, if any) and interest thereon at the respective due dates thereof. The registered holders of a majority in aggregate principal amount of the Secured Medium-Term Notes of any series then outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Note Trustee or exercising any trust or power conferred on it with respect to the Secured Medium-Term Notes of such series, provided that such direction shall not be in conflict with any rule of law or with the Note Indenture or the Secured Medium-Term Notes of any series, shall not involve the Note Trustee in personal liability and shall not be unjustly prejudicial to registered holders of the Secured Medium-Term Notes of such series not joining therein. See “— Voting of Pledged Bond.”

The Note Indenture provides that the Note Trustee, within 90 days after the occurrence of a default with respect to any series of Secured Medium-Term Notes, is required to give the registered holders of the Secured Medium-Term Notes of such series notice of such default, unless such default has been waived or cured.

Certificate of Compliance

Pursuant to the TIA, we are required to certify to the Note Trustee, not less than annually, our compliance with all conditions and covenants under the Note Indenture.

Voting of Pledged Bond

The Note Trustee, as the holder of the Pledged Bond pledged by us in accordance with the Note Indenture, shall attend any meeting of bondholders under the Mortgage as to which it receives due notice. Either at such

meeting, or otherwise where any action, amendment, modification, waiver or consent to or in respect of the Mortgage or the Pledged Bond issued under the Mortgage (sometimes referred to as a "proposed action") is sought without a meeting, the Note Trustee shall vote each series of Pledged Bond held by it as described below. The Note Trustee may agree to any proposed action without the consent of or notice to the registered holders of Secured Medium-Term Notes of any series where such proposed action would not adversely affect the registered holders of such series of Secured Medium-Term Notes. In the event that any proposed action would adversely affect the registered holders of any series of outstanding Secured Medium-Term Notes, the Note Trustee shall not vote the Pledged Bond that services and secures such series of Secured Medium-Term Notes without notice to and the approval of the registered holders of at least 66 2/3% in aggregate principal amount of the Secured Medium-Term Notes of such series. Notwithstanding the foregoing, the Note Trustee shall not, without unanimous consent of the registered holders of outstanding Secured Medium-Term Notes of any series, consent to any proposed action which would (i) decrease the amount payable on any Pledged Bond held by the Note Trustee, (ii) change the Interest Payment Dates or the Maturity Dates of any Pledged Bond, or (iii) require unanimous consent of the holders of the Mortgage Bonds outstanding under the Mortgage.

Consolidation, Merger and Transfer of Assets

Under the Note Indenture, we may not consolidate with or merge into any corporation, or transfer our properties or assets substantially as an entirety to any person, unless:

- the successor corporation or transferee is a corporation organized and existing under the laws of the United States of America or any State thereof or the District of Columbia and expressly assumes our obligations in the Secured Medium-Term Notes and the Note Indenture;
- after giving effect to the transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing; and
- certain other conditions are met.

Modification and Waiver

Modifications of and amendments to the Note Indenture may be made by us and the Note Trustee with the consent of the registered holders of a majority in aggregate principal amount of the outstanding Secured Medium-Term Notes of each series affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the registered holder of each outstanding Secured Medium-Term Note affected thereby:

- change the stated maturity date of the principal of, or reduce the rate or extend the time of payment of interest on, any Secured Medium-Term Note;
- reduce the principal amount of, or any premium on, any Secured Medium-Term Note;
- change the place or currency of payment of the principal of (or premium, if any) or interest on any Secured Medium-Term Note;
- change the date on which any Secured Medium-Term Note may be redeemed;
- impair the right to institute suit for the enforcement of any required payment on or with respect to any Secured Medium-Term Note;
- impair the security interest under the Note Indenture in any Pledged Bond; or
- reduce the percentage of the aggregate principal amount of the outstanding Secured Medium-Term Notes of any series the consent of whose registered holders is required for modification or amendment of the Indenture or for waiver of certain defaults except to increase such percentage or to provide that certain other provisions of the Note Indenture cannot be modified or waived without the consent of the registered holder of each outstanding Secured Medium-Term Note affected thereby.

The Note Indenture also contains provisions permitting us and the Note Trustee, without the consent of any registered holders of Secured Medium-Term Notes, to enter into supplemental indentures, in form satisfactory to the Note Trustee, for any of the following purposes:

- to evidence the succession of another corporation to us and the assumption by such successor of our obligations and covenants in the Note Indenture and the Secured Medium-Term Notes;
- to add to our covenants for the benefit of the registered holders of all or any series of Secured Medium-Term Notes (and if such covenants are to be for the benefit of less than all series of Secured Medium-Term Notes, stating that such covenants are expressly being included solely for the benefit of such series), or to surrender any right or power herein conferred upon us;
- to change or eliminate any of the provisions of the Note Indenture, provided that any such change or elimination shall become effective only when there is no Secured Medium-Term Note outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision;
- to establish the form or terms of Secured Medium-Term Notes of any series as otherwise permitted by the Note Indenture;
- to evidence and provide for the acceptance of appointment under the Note Indenture by a successor Note Trustee with respect to the Secured Medium-Term Notes and to add to or change any of the provisions of the Note Indenture as shall be necessary to provide for or facilitate the administration of the trusts thereunder by more than one Note Trustee;
- to cure any ambiguity, to correct or supplement any provision in the Note Indenture which may be defective or inconsistent with any other provision of the Note Indenture, or to make any other provisions with respect to matters or questions arising under the Note Indenture which shall not be inconsistent with any provision of the Note Indenture, provided such other provisions shall not adversely affect the interests of the registered holders of Secured Medium-Term Notes of any series in any material respect;
- to modify, eliminate or add to the provisions of the Note Indenture to such extent as shall be necessary to effect the qualification of the Note Indenture under the TIA or under any similar federal statute and to add to the Note Indenture such other provisions as may be expressly required under the TIA;
- to grant to or confer upon the Note Trustee for the benefit of the registered holders of one or more series of Secured Medium-Term Notes any additional rights, remedies, powers or authority;
- to permit the Note Trustee to comply with the law;
- to define or specify the duties, responsibilities and relationships of and among the Note Trustee and any authenticating or paying agent; or
- to make any other change that is not prejudicial, in our judgment, to the Note Trustee or the registered holders of any Secured Medium-Term Notes.

The registered holders of a majority in aggregate principal amount of the Secured Medium-Term Notes of any series may, on behalf of all registered holders of the Secured Medium-Term Notes of such series, waive any past default or Event of Default except

- with respect to an Event of Default relating to an event of default under the Mortgage,
- a default in the payment of principal of, or premium, if any, or interest on, any Secured Medium-Term Note of such series, or
- a default in respect of a covenant or provision the modification or amendment of which would require the consent of the registered holder of each outstanding Secured Medium-Term Note affected thereby.

Satisfaction and Discharge

The Note Indenture provides that we will be discharged from any and all obligations in respect of any series of Secured Medium-Term Notes (except for certain obligations such as obligations to register the transfer

or exchange of Secured Medium-Term Notes of such series, replace stolen, lost or mutilated Secured Medium-Term Notes of such series and certain other matters) if, among other things, we irrevocably deposit with the Note Trustee, in trust for the benefit of registered holders of Secured Medium-Term Notes of such series, money or United States government obligations, or any combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to make all payments of principal of, and premium, if any, and interest on, the Secured Medium-Term Notes of such series on the dates such payments are due in accordance with the terms of the Note Indenture and the Secured Medium-Term Notes of such series. Thereafter, the registered holders of Secured Medium-Term Notes of such series must look only to such deposit for payment of the principal of, and premium, if any, and interest on, Secured Medium-Term Notes of such series.

Concerning the Note Trustee

We maintain ordinary banking relationships with The Bank of New York Mellon, the Note Trustee, including credit facilities and lines of credit. The Bank of New York Mellon also serves as trustee under other indentures under which we or our affiliates are the obligor. Thomas A. Renyi, retired Executive Chairman of The Bank of New York Mellon, is a member of the Board of Directors of our parent, PSEG.

Book-Entry System

The Secured Medium-Term Notes may be issued, in whole or in part, in global form (a "Global Note") that will be deposited with, or on behalf of, DTC (the "Depository") and registered in the name of the Depository's nominee. A Global Note may represent one or more Secured Medium-Term Notes of the same series, provided that all Secured Medium-Term Notes represented by a Global Note will bear interest at the same rate and have the same date of issue, stated maturity date, optional redemption terms, if any, and other variable terms. Except as set forth below, a Global Note may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any nominee to a successor of the Depository or a nominee of such successor. For more information on the Depository, see "Description of the Mortgage Bonds — Book-Entry Mortgage Bonds."

DESCRIPTION OF THE PLEDGED BOND

One Pledged Bond will be issued under and secured by the Mortgage with respect to each series of Secured Medium-Term Notes. For a description of the Mortgage, see "Description of the Mortgage Bonds." Each Pledged Bond will constitute a series of our Mortgage Bonds. In this section, references to "we", "our" and "us" refer to Public Service Electric and Gas Company without its consolidated subsidiaries.

The Pledged Bond will be issued initially to the Note Trustee and will be issuable only in fully registered form in any denomination authorized by us. The Pledged Bond will be transferable and the several denominations thereof will be exchangeable for Bonds of other authorized denominations but of the same series and aggregate principal amount, upon compliance with the applicable provisions of the Mortgage. No service charge will be made for any such transfer or exchange, but we may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

Interest, Maturity and Payment

Interest on the Pledged Bond shall accrue at a fixed rate per annum stated in the applicable prospectus supplement computed on the basis of a 360-day year of twelve 30-day months and shall be payable semi-annually in arrears on January 1 and July 1 of each year, subject to receipt of certain credits against principal and interest and such obligations as set forth below.

In addition to any other credit, payment or satisfaction to which we are entitled with respect to the Pledged Bond, we shall be entitled to credits against amounts otherwise payable in respect of the Pledged Bond in an amount corresponding to

- the principal amount of any of our Secured Medium-Term Notes issued under the Note Indenture secured thereby surrendered to the Note Trustee by us, or purchased by the Note Trustee, for cancellation,

- the amount of money held by the Note Trustee and available and designated for the payment of principal or redemption price (other than premium) of, and/or interest on, the Secured Medium-Term Notes secured thereby, regardless of the source of payment to the Note Trustee of such moneys and
- the amount by which principal of and interest due on the Pledged Bond exceeds principal of and interest due on the Secured Medium-Term Notes secured thereby.

The Note Trustee shall make notation on the Pledged Bond of any such credit.

Redemption

The Pledged Bond shall be subject to redemption prior to maturity under the conditions and upon payment of the amounts as may be specified in the following conditions:

- at any time in whole or in part at our option upon receipt by the Mortgage Trustee of written certification by us and the Note Trustee that the principal amount of the Secured Medium-Term Notes then outstanding under the Note Indenture is not in excess of such principal amount of the Pledged Bond as shall remain pledged to the Note Trustee after giving effect to such redemption; or
- at any time by the application of any proceeds of released property or other money held by the Mortgage Trustee and which, pursuant to the Mortgage, are applied to the redemption of the Pledged Bond, upon payment of 100% of the principal amount thereof, together with interest accrued to the redemption date, provided that any such payment shall be subject to receipt by us of certain credits against such obligations as set forth above; or
- automatically upon any failure to pay the principal of any Secured Medium-Term Notes then outstanding under the Note Indenture when due, on their stated maturity date or earlier redemption or repayment date, in a principal amount of Pledged Bonds equal to the principal amount of such Secured Medium-Term Notes, in each case, at a price equal to 100% of the principal amount thereof, together with accrued interest, if applicable.

PLAN OF DISTRIBUTION

Mortgage Bonds

We may sell the Mortgage Bonds directly to purchasers or indirectly through underwriters, dealers or agents. The names of any such underwriters, dealers or agents will be set forth in the relevant prospectus supplement. We will also set forth in the relevant prospectus supplement:

- the terms of the offering of the Mortgage Bonds;
- the proceeds we will receive from the offering;
- any underwriting discounts and other items constituting underwriters' compensation;
- any initial public offering price;
- any discounts or concessions allowed or reallocated or paid to dealers; and
- any securities exchanges on which we may list the Mortgage Bonds.

We may distribute the Mortgage Bonds from time to time in one or more transactions at:

- a fixed price;
- prices that may be changed;
- market prices at the time of sale;
- prices related to prevailing market prices; or
- negotiated prices.

We will describe the method of distribution in the relevant prospectus supplement.

If we use underwriters with respect to an offering of the Mortgage Bonds, we will set forth in the relevant prospectus supplement:

- the name of the managing underwriter, if any;
- the names of any other underwriters; and
- the terms of the transaction, including any underwriting discounts and other items constituting compensation of the underwriters and dealers, if any.

The underwriters will acquire any Mortgage Bonds for their own accounts and they may resell the Mortgage Bonds from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price and at varying prices determined at the time of sale.

Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time. We anticipate that any underwriting agreement pertaining to any Mortgage Bonds will:

- entitle the underwriters to indemnification by us against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments that the underwriters may be required to make related to any such civil liability;
- subject the obligations of the underwriters to certain conditions precedent; and
- obligate the underwriters to purchase all Mortgage Bonds offered in a particular offering if any such Mortgage Bonds are purchased.

If we use a dealer in an offering of the Mortgage Bonds, we will sell such Mortgage Bonds to the dealer, as principal. The dealer may then resell the Mortgage Bonds to the public at varying prices to be determined by such dealer at the time of resale. We will set forth the name of the dealer and the terms of the transaction in the prospectus supplement.

If we use an agent in an offering of the Mortgage Bonds, we will name the agent and describe the terms of the agency in the relevant prospectus supplement. Unless we indicate otherwise in the prospectus supplement, we will require an agent to act on a best efforts basis for the period of its appointment.

Secured Medium-Term Notes

If we sell Secured Medium-Term Notes, we will offer them on a continuing basis through such agents as we shall designate, each of which will be required to agree to use its reasonable best efforts to solicit purchases of the Secured Medium-Term Notes. The Secured Medium-Term Notes may also be sold to an agent as principal for reoffering as described below. We will have the sole right to accept offers to purchase Secured Medium-Term Notes and may reject any proposed purchase of Secured Medium-Term Notes in whole or in part. Each agent will have the right, in its discretion reasonably exercised, to reject any proposed purchase of Secured Medium-Term Notes through it in whole or in part. We will pay a commission to an agent, depending upon maturity, at the rate or rates stated in the applicable prospectus supplement for each Secured Medium-Term Note sold through such agent.

Unless otherwise specified in the applicable prospectus supplement, any Secured Medium-Term Note sold to an agent as principal will be purchased by such agent at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to any agency sale of a Secured Medium-Term Note of identical maturity. Such Secured Medium-Term Note may be resold by the agent to investors and other purchasers from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale or may be resold to certain dealers. Resales of Secured Medium-Term Notes by an agent to a dealer may be made at a discount, which will not be in excess of the discount to be received by such agent from us. After the initial public offering of Secured Medium-Term Notes to be resold to investors and other purchasers on a fixed public offering price basis, the public offering price, concession and discount may be changed.

General Information

Dealers and agents named in a prospectus supplement may be considered underwriters of the Mortgage Bonds or Secured Medium-Term Notes described in the prospectus supplement under the Securities Act. We may indemnify them against certain civil liabilities under the Securities Act.

If underwriters are used in the sale of Mortgage Bonds or if Secured Medium-Term Notes are sold to agents as principal to be resold to investors and other purchasers, to facilitate the offering, the underwriters or agents may engage in transactions that stabilize, maintain or otherwise affect the price of such Mortgage Bonds or Secured Medium-Term Notes. Specifically, the underwriters or agents may over-allot in connection with the offering, creating a short position in such Mortgage Bonds or Secured Medium-Term Notes for their own accounts. In addition, to cover over-allotments or to stabilize the price of such Mortgage Bonds or Secured Medium-Term Notes, the underwriters or agents may bid for, and purchase, such Mortgage Bonds or Secured Medium-Term Notes in the open market. Finally, in any offering of Mortgage Bonds or Secured Medium-Term Notes through a syndicate of underwriters or agents, the syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing such Mortgage Bonds or Secured Medium-Term Notes in the offering, if the syndicate repurchases previously distributed Mortgage Bonds or Secured Medium-Term Notes in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of such Mortgage Bonds or Secured Medium-Term Notes above independent market levels. The underwriters or agents are not required to engage in these activities, and may end any of these activities at any time.

In the ordinary course of business, we may engage in transactions with underwriters, dealers, agents and their affiliates and they may perform services for us.

We may solicit offers to purchase the Mortgage Bonds or Secured Medium-Term Notes and make sales directly to institutional investors or others who may be considered underwriters under the Securities Act with respect to such sales. We will describe the terms of any such offer in the relevant prospectus supplement. We may also sell the Mortgage Bonds or Secured Medium-Term Notes through competitive bidding procedures described in the relevant prospectus supplement.

If we authorize underwriters or our agents to solicit offers to purchase the Mortgage Bonds or Secured Medium-Term Notes from institutional investors pursuant to contracts providing for payment and delivery at a future date, we will indicate that we are doing so in the relevant prospectus supplement.

Each series of Mortgage Bonds or Secured Medium-Term Notes will be a new issue and will have no established trading market. We may elect to list any series of new Mortgage Bonds or Secured Medium-Term Notes on an exchange, but unless we advise you differently in the prospectus supplement, we have no obligation to cause any Mortgage Bonds or Secured Medium-Term Notes to be so listed. Any underwriters or agents to or through whom we sell Mortgage Bonds or Secured Medium-Term Notes for public offering and sale may make a market in the Mortgage Bonds or Secured Medium-Term Notes, but will not be obligated to do so and may discontinue any market making at any time without notice. We make no assurance as to the liquidity of, or the development or maintenance of, any trading markets for any Mortgage Bonds or Secured Medium-Term Notes.

We will estimate our expenses associated with any offering of Mortgage Bonds or Secured Medium-Term Notes in the relevant prospectus supplement.

LEGAL MATTERS

Unless otherwise specified in a prospectus supplement accompanying this prospectus, the legality of the Mortgage Bonds and Secured Medium-Term Notes will be passed on for us by Tamara L. Linde, Esquire, our Executive Vice President and General Counsel, or Shawn P. Leyden, Esquire, Vice President and Deputy General Counsel of our affiliate, PSEG Services Corporation, each of whom may rely on the opinion of Ballard Spahr LLP, of Philadelphia, Pennsylvania, as to matters of Pennsylvania law. Sidley Austin LLP, New York, New York, will act as counsel for any underwriters, agents or dealers and may rely on the opinion of Ms. Linde or Mr. Leyden as to matters of New Jersey law and on the opinion of Ballard Spahr LLP as to matters of Pennsylvania law. Ms. Linde and Mr. Leyden each beneficially owns or has rights to acquire an aggregate of less than 0.01% of PSEG's common stock. Sidley Austin LLP has from time to time represented, and continues to represent, PSE&G and its affiliates in connection with certain unrelated legal matters.

Mr. Leyden has reviewed the statements in this prospectus as to the lien of the Mortgage securing the Mortgage Bonds under "Description of the Mortgage Bonds — Lien and Security" (except insofar as they relate to the lien of the Mortgage on our property located in Pennsylvania). Such statements insofar as they relate to the lien of the Mortgage on our property located in Pennsylvania have been reviewed by Ballard Spahr LLP. The statements as to liens and encumbrances on our property are based in part on title insurance policies and reports and searches obtained from companies engaged in the business of insuring title to real estate in New Jersey and from a company engaged in the business of insuring title to real estate in Pennsylvania, and on certificates or opinions of local counsel in Pennsylvania deemed by Ballard Spahr LLP to be reliable and competent. All the statements made or referred to in this paragraph, as to matters of law and legal conclusions, are made in reliance upon Mr. Leyden and Ballard Spahr LLP, respectively.

EXPERTS

The consolidated financial statements and the related consolidated financial statement schedule, incorporated in this prospectus by reference from PSE&G's Annual Report on Form 10-K for the year ended December 31, 2016, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements and consolidated financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

\$3,200,000,000



**Public Service Electric and Gas Company
Secured Medium-Term Notes, Series N
Due 1 Year to 30 Years From Date of Issue**

PROSPECTUS SUPPLEMENT

**Barclays
BNP PARIBAS
BNY Mellon Capital Markets, LLC
BofA Securities
CIBC Capital Markets
Citigroup
Credit Suisse
Goldman Sachs & Co. LLC
J.P. Morgan
Mizuho Securities
Morgan Stanley
MUFG
PNC Capital Markets LLC
RBC Capital Markets
Scotiabank
TD Securities
US Bancorp
Wells Fargo Securities**

January 7, 2020

SUPPLEMENTAL MORTGAGE

RECEIVED
CASE MANAGEMENT
2020 JAN 10 A 10:32
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Supplemental Indenture

Dated December 1, 2019

RECEIVED
MAIL ROOM

JAN 10 2020

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

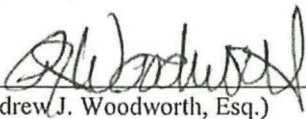
**SUPPLEMENTAL TO
FIRST AND REFUNDING MORTGAGE
DATED AUGUST 1, 1924**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
TO
U.S. BANK NATIONAL ASSOCIATION
Trustee
333 Thornall Street
Edison, NJ 08837**

**PROVIDING FOR THE ISSUE OF
\$3,200,000,000 FIRST AND REFUNDING MORTGAGE BONDS,
MEDIUM-TERM NOTES SERIES N**

**RECORD IN MORTGAGE BOOK AND RETURN TO:
ANDREW J. WOODWORTH, ESQ.
80 PARK PLAZA, T5
NEWARK, N.J. 07102**

Prepared by



(Andrew J. Woodworth, Esq.)

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SUPPLEMENTAL INDENTURE, dated the 1st day of December 2019 for convenience of reference and effective from the time of execution and delivery hereof, between PUBLIC SERVICE ELECTRIC AND GAS COMPANY, a corporation organized under the laws of the State of New Jersey, hereinafter called the "Company", party of the first part, and U.S. Bank National Association, a national banking association organized under the laws of the United States of America, as successor Trustee to Wachovia Bank, National Association (previously known as Fidelity Union Trust Company) under the indenture dated August 1, 1924, below mentioned, hereinafter called the "Trustee", party of the second part.

WHEREAS, on July 25, 1924, the Company executed and delivered to FIDELITY UNION TRUST COMPANY, a certain indenture dated August 1, 1924 (hereinafter called the "Indenture") to secure and to provide for the issue of First and Refunding Mortgage Gold Bonds of the Company; and

WHEREAS, the Indenture has been recorded in the following counties of the State of New Jersey, in the offices, and therein in the books and at the pages, as follows:

County	Office	Book Number	Page Number
Atlantic	Clerk's	1955 of Mortgages	160
Bergen	Clerk's	94 of Chattel Mortgages	123 etc.
		693 of Mortgages	88 etc.
Burlington	Clerk's	52 of Chattel Mortgages	Folio 8 etc.
		177 of Mortgages	Folio 354 etc.
Camden	Register's	45 of Chattel Mortgages	184 etc.
		239 of Mortgages	1 etc.
Cumberland	Clerk's	786 of Mortgages	638 & c.
Essex	Register's	437 of Chattel Mortgages	1-48
		T-51 of Mortgages	341-392
Gloucester	Clerk's	34 of Chattel Mortgages	123 etc.
		142 of Mortgages	7 etc.
Hudson	Register's	453 of Chattel Mortgages	9 etc.
		1245 of Mortgages	484, etc.
Hunterdon	Clerk's	151 of Mortgages	344
Mercer	Clerk's	67 of Chattel Mortgages	1 etc.
		384 of Mortgages	1 etc.
Middlesex	Clerk's	113 of Chattel Mortgages	3 etc.
		437 of Mortgages	294 etc.
Monmouth	Clerk's	951 of Mortgages	291 & c.
Morris	Clerk's	N-3 of Chattel Mortgages	446 etc.
		F-10 of Mortgages	269 etc.
Ocean	Clerk's	1809 of Mortgages	40
Passaic	Register's	M-6 of Chattel Mortgages	178, etc.
		R-13 of Mortgages	268 etc.
Salen	Clerk's	267 of Mortgages	249 etc.
Somerset	Clerk's	46 of Chattel Mortgages	207 etc.
		N-10 of Mortgages	1 etc.
Sussex	Clerk's	123 of Mortgages	10 & c.
Union	Register's	9584 of Mortgages	259 etc.
Warren	Clerk's	124 of Mortgages	141 etc.

and

WHEREAS, the Indenture has also been recorded in the following counties of the Commonwealth of Pennsylvania, in the offices, and therein in the books and at the pages, as follows:

County	Office	Book Number	Page Number
Adams	Recorder's	22 of Mortgages	105
Armstrong	Recorder's	208 of Mortgages	381
Bedford	Recorder's	90 of Mortgages	917
Blair	Recorder's	671 of Mortgages	430
Cambria	Recorder's	407 of Mortgages	352
Cumberland	Recorder's	500 of Mortgages	136
Franklin	Recorder's	285 of Mortgages	373
Huntingdon	Recorder's	128 of Mortgages	47
Indiana	Recorder's	197 of Mortgages	281
Lancaster	Recorder's	984 of Mortgages	1
Montgomery	Recorder's	5053 of Mortgages	1221
Westmoreland	Recorder's	1281 of Mortgages	198
York	Recorder's	31-V of Mortgages	446

and

WHEREAS, the Indenture granted, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned, transferred and set over unto the Trustee certain property of the Company, more fully set forth and described in the Indenture, then owned or which might thereafter be acquired by the Company; and

WHEREAS, the Company, by various supplemental indentures, supplemental to the Indenture, the last of which was dated April 1, 2018, has granted, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned, transferred and set over unto the Trustee certain property of the Company acquired by it after the execution and delivery of the Indenture; and

WHEREAS, since the execution and delivery of said supplemental indenture dated April 1, 2018, the Company has acquired property which, in accordance with the provisions of the Indenture, is subject to the lien thereof and the Company desires to confirm such lien; and

WHEREAS, the Indenture has been amended or supplemented from time to time; and

WHEREAS, it is provided in the Indenture that no bonds other than those of the 5-1/2% Series due 1959 therein authorized may be issued thereunder unless a supplemental indenture providing for the issue of such additional bonds shall have been executed and delivered by the Company to the Trustee; and

WHEREAS, the Company is making provisions for the issuance and sale of its Secured Medium-Term Notes, Series N (the "Series N Notes"), to be issued under an Indenture of Trust (the "Note Indenture") dated as of July 1, 1993 between the Company and The Chase Manhattan Bank (National Association) as predecessor trustee (The Bank of New York Mellon, as successor trustee to the predecessor trustee), as Trustee (the "Note Trustee"); and

WHEREAS, such Note Indenture provides, among other things, for the pledge and delivery by the Company of a series of First and Refunding Mortgage Bonds of the Company to evidence the Company's obligation to pay the principal and interest with respect to outstanding Series N Notes; and for such purpose and in order to service and secure payment of the principal and interest in respect of the Series N Notes, the Company desires to provide for the issue of \$3,200,000,000 aggregate principal amount of bonds under the Indenture of a series to be designated as "First and Refunding Mortgage Bonds, Medium-Term Notes Series N" (hereinafter sometimes called "Bonds of the Medium-Term Notes Series N"); and

WHEREAS, the text of the Bonds of the Medium-Term Notes Series N and of the certificate of authentication to be borne by the Bonds of the Medium-Term Notes Series N shall be substantially of the following tenor:

(FORM OF BOND)

This Bond is not transferable except as provided in the Indenture and in the Indenture of Trust dated as of July 1, 1993 between the Company and The Chase Manhattan Bank (National Association) (The Bank of New York Mellon, successor trustee) as Trustee.

REGISTERED
NUMBER
R

REGISTERED
AMOUNT
\$3,200,000,000

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FIRST AND REFUNDING MORTGAGE BOND,
MEDIUM-TERM NOTES SERIES N

Public Service Electric and Gas Company (hereinafter called the "Company"), a corporation of the State of New Jersey, for value received, hereby promises to pay to The Bank of New York Mellon (as successor trustee to The Chase Manhattan Bank (National Association)), under the Indenture of Trust dated as of July 1, 1993 between the Company and such trustee, or registered assigns, on the surrender hereof, the principal sum of Three Billion Two Hundred Million Dollars, on December 1, 2054, and to pay interest thereon from the date hereof, at the rate of 10% per annum, and until payment of said principal sum, such interest to be payable June 1 and December 1 in each year; provided, however, that the Company shall receive certain credits against such obligations as set forth in the Supplemental Indenture dated December 1, 2019 referred to below.

Both the principal hereof and interest hereon shall be paid at the principal corporate trust office of U.S. Bank National Association in the Township of Edison, State of New Jersey, or (at the option of the registered owner) at the corporate trust office of any paying agent appointed by the Company, in such coin or currency of the United States of America as at the time of payment shall constitute legal tender for the payment of public and private debts; provided, however, that any such payments of principal and interest shall be subject to receipt of certain credits against such payment obligations as set forth in the Supplemental Indenture dated December 1, 2019 referred to below.

This Bond is one of the First and Refunding Mortgage Bonds of the Company issued and to be issued under and pursuant to, and all equally secured by, an indenture of mortgage or deed of trust dated August 1, 1924, as supplemented and amended by supplemental indentures thereto, including the Supplemental Indenture dated December 1, 2019, duly executed by the Company and U.S. Bank National Association as Trustee. This Bond is one of the Bonds of the Medium-Term Notes Series N, which series is limited to the aggregate principal amount of \$3,200,000,000 and is issued pursuant to said Supplemental Indenture dated December 1, 2019. Reference is hereby made to said indenture and all supplements thereto for a specification of the principal amount of Bonds from time to time issuable thereunder, and for a description of the properties mortgaged and conveyed or assigned to said Trustee or its successors, the nature and extent of the security, and the rights of the holders of said Bonds and any coupons appurtenant thereto, and of the Trustee in respect of such security.

In and by said indenture, as amended and supplemented, it is provided that with the written approval of the Company and the Trustee, any of the provisions of said indenture may from time to time be eliminated or modified and other provisions may be added thereto provided the change does not alter the annual interest rate, redemption price or date, date of maturity or amount payable on maturity of any then outstanding Bond or conflict with the Trust Indenture Act of 1939 as then in effect, and provided the holders of 85% in principal amount of the Bonds secured by said indenture and then outstanding (including, if such change affects the Bonds of one or more series but less than all series then outstanding, a like percentage of the then outstanding Bonds of each series affected by such change, and excluding Bonds owned or controlled by the Company or by the parties owning at least 10% of the outstanding voting stock of the Company, as more fully specified in said indenture) consent in writing thereto, all as more fully set forth in said indenture, as amended and supplemented.

First and Refunding Mortgage Bonds issuable under said indenture are issuable in series, and the Bonds of any series may be for varying principal amounts and in the form of coupon bonds and of registered bonds without coupons, and the Bonds of any one series may differ from the Bonds of any other series as to date, maturity, interest rate and otherwise, all as in said indenture provided and set forth. The Bonds of the Medium-Term Notes Series N, in which this Bond is included, are designated "First and Refunding Mortgage Bonds, Medium-Term Notes, Series N."

In case of the happening of an event of default as specified in said indenture and said supplemental indenture dated March 1, 1942, the principal sum of the Bonds of this series may be declared or may become due and payable forthwith, in the manner and with the effect in said indenture provided.

The Bonds of this series are subject to redemption as provided in Article II of the Supplemental Indenture dated December 1, 2019.

This Bond is transferable, but only as provided in said indenture and the Indenture of Trust dated as of July 1, 1993 between the Company and The Chase Manhattan Bank (National Association) as predecessor trustee (The Bank of New York Mellon, as successor trustee to the predecessor trustee), as trustee, upon surrender hereof, by the registered owner in person or by attorney duly authorized in writing, at either of said offices where the principal hereof and interest hereon are payable; upon any such transfer a new fully registered Bond similar hereto will be issued to the transferee. This Bond may in like manner be exchanged for one or more new fully registered Bonds of the same series of other authorized denominations but of the same aggregate principal amount. No service charge shall be made for any such transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. *The Company and the Trustee hereunder and any paying agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and the interest hereon and for all other purposes; and neither the Company nor the Trustee hereunder nor any paying agent shall be affected by any notice to the contrary.*

The Bonds of this series are issuable only in fully registered form, in any denomination authorized by the Company.

No recourse under or upon any obligation, covenant or agreement contained in said indenture or in any indenture supplemental thereto, or in any Bond issued thereunder, or because of any indebtedness arising thereunder, shall be had against any incorporator, or against any past, present or future stockholder, officer, or director, as such, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, it being expressly agreed and understood that said indenture, any indenture supplemental thereto and the obligations issued thereunder, are solely corporate obligations, and that no personal liability whatever shall attach to, or be incurred by, such incorporators, stockholders, officers or directors, as such, of the Company, or of any successor corporation, or any of them, because of the incurring of the indebtedness thereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in the indenture or in any indenture supplemental thereto or in any of the Bonds issued thereunder, or implied therefrom.

This Bond shall not be entitled to any security or benefit under said indenture, as amended and supplemented, and shall not become valid or obligatory for any purpose, until the certificate of authentication, hereon endorsed, shall have been signed by U.S. Bank National Association as Trustee, or by its successor in trust under said indenture.

[To be executed and attested under seal in accordance with the provisions of the Indenture.]

(FORM OF CERTIFICATE OF AUTHENTICATION)
CERTIFICATE OF AUTHENTICATION

[To be authenticated in accordance with the provisions of the Indenture.]

WHEREAS, the execution and delivery of this supplemental indenture have been duly authorized by the Board of Directors of the Company; and

WHEREAS, the Company represents that all things necessary to make the bond of the series hereinafter described, when duly authenticated by the Trustee and issued by the Company, a valid and legal obligation of the Company, and to make this supplemental indenture a valid and binding agreement supplemental to the Indenture, have been done and performed:

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH that the Company, in consideration of the premises and the execution and delivery by the Trustee of this supplemental indenture, and in pursuance of the covenants and agreements contained in the Indenture and for other good and valuable consideration, the receipt of which is hereby acknowledged, has granted, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned, transferred and set over, and by these presents does grant, bargain, sell, alien, remise, release, convey, confirm, assign, transfer and set over unto the Trustee, its successors and assigns, forever, all the right, title and interest of the Company in and to all property of every kind and description (except cash, accounts and bills receivable and all merchandise bought, sold or manufactured for sale in the ordinary course of the Company's business, stocks, bonds or other corporate obligations or securities, other than such as are described in Part V of the Granting Clauses of the Indenture, not acquired with the proceeds of bonds secured by the Indenture, and except as in the Indenture and herein otherwise expressly excluded) acquired by the Company since the execution and delivery of the supplemental indenture dated April 1, 2018, subsequent to the Indenture (except any such property duly released from, or disposed of, free from the lien of the Indenture, in accordance with the provisions thereof) and all such property which at any time hereafter may be acquired by the Company;

All of which property it is intended shall be included in and granted by this supplemental indenture and covered by the lien of the Indenture as heretofore and hereby amended and supplemented;

UNDER AND SUBJECT to any encumbrances or mortgages existing on property acquired by the Company at the time of such acquisition and not heretofore discharged of record; and

SUBJECT also, to the exceptions, reservations and provisions in the Indenture and in this supplemental indenture recited, and to the liens, reservations, exceptions, limitations, conditions and restrictions imposed by or contained in the several deeds, grants, franchises and contracts or other instruments through which the Company acquired or claims title to the aforesaid property; and Subject, also, to the existing leases, to liens on easements or rights of way, to liens for taxes, assessments and governmental charges not in default or the payment of which is deferred, pending appeal or other contest by legal proceedings, pursuant to Section 4 of Article Five of the Indenture, or the payment of which is deferred pending billing, transfer of title or final determination of amount, to easements for alleys, streets, highways, rights of way and railroads that may run across or encroach upon the said property, to joint pole and similar agreements, to undetermined liens and charges, if any, incidental to construction, and other encumbrances permitted by the Indenture as heretofore and hereby amended and supplemented;

TO HAVE AND TO HOLD the property hereby conveyed or assigned, or intended to be conveyed or assigned, unto the Trustee, its successor or successors and assigns, forever;

IN TRUST, NEVERTHELESS, upon the terms, conditions and trusts set forth in the Indenture as heretofore and hereby amended and supplemented, to the end that the said property shall be subject to the lien of the Indenture as heretofore and hereby amended and supplemented, with the same force and effect as though said property had been included in the Granting Clauses of the Indenture at the time of the execution and delivery thereof;

AND THIS SUPPLEMENTAL INDENTURE FURTHER WITNESSETH that for the considerations aforesaid, it is hereby covenanted between the Company and the Trustee as follows:

ARTICLE I.

BONDS OF THE MEDIUM-TERM NOTES SERIES N.

The series of bonds authorized by this supplemental indenture to be issued under and secured by the Indenture shall be designated "First and Refunding Mortgage Bonds, Medium-Term Notes Series N"; shall be limited to the aggregate principal amount of \$3,200,000,000; shall be issued initially to the Note Trustee and shall mature and bear interest as set forth in the form of bond set forth herein; provided, however, that the Company shall receive certain credits against principal and interest as set forth in Section 3.01 hereof. The date of each Bond of the Medium-Term Notes Series N shall be the interest payment date next preceding the date of authentication, unless such date of authentication be an interest payment date, in which case the date shall be the date of authentication, or unless such date of authentication be prior to the first semi-annual interest payment date, in which case the date shall be December 1, 2019.

Bonds of the Medium-Term Notes Series N shall be issuable only in the form of fully registered bonds in any denomination authorized by the Company. Interest on the Bonds of the Medium-Term Notes Series N shall be payable semi-annually in arrears on June 1 and December 1 of each year, payable initially on June 1, 2020, subject to receipt of certain credits against principal and interest as set forth in Section 3.01 hereof and shall be payable as to both principal and interest in such coin or currency of the United States of America as at the time of payment shall constitute legal tender for the payment of public and private debts, at the principal corporate trust office of the Trustee, or at the corporate trust office of any paying agent appointed.

Bonds of the Medium-Term Notes Series N shall be transferable and exchangeable, but only as provided in the Indenture and the Note Indenture, upon surrender thereof for cancellation by the registered owner in person or by attorney duly authorized in writing at either of said offices. The Company hereby waives any right to make a charge for any transfer or exchange of Bonds of the Medium-Term Notes Series N, but the Company may require payment of a sum sufficient to cover any tax or any other governmental charge that may be imposed in relation thereto.

ARTICLE II.

REDEMPTION OF BONDS OF MEDIUM-TERM NOTES SERIES N.

SECTION 2.01. *Redemption—Redemption Price.* Bonds of the Medium-Term Notes Series N shall be subject to redemption prior to maturity under the conditions, and upon payment of the amounts as may be specified in the following conditions:

(a) at any time in whole or in part at the option of the Company upon receipt by the Trustee of written certification of the Company and of the Note Trustee that the principal amount of the Series N Notes then outstanding under the Note Indenture is not in excess of such principal amount of the Bonds of the Medium-Term Notes Series N as shall remain pledged to the Note Trustee after giving effect to such redemption; (b) at any time by the application of any proceeds of released property or other money held by the Trustee and which, pursuant to Section 4C of Article Eight of the Indenture, as amended and supplemented, are applied to the redemption of Bonds of the Medium-Term Notes Series N, upon payment of 100% of the principal amount thereof, together with interest accrued to the redemption date, provided that any such payment shall be subject to receipt by the Company of certain credits against such obligations as set forth in Section 3.01 hereof or (c) automatically upon failure to pay the principal of any Series N Notes then outstanding under the Note Indenture when due, on their stated maturity date or earlier redemption or repayment date, in a principal amount of Bonds of the Medium-Term Notes Series N equal to the principal amount of such Series N Notes, in each case, at a price equal to 100% of the principal amount thereof, together with accrued interest, if applicable.

SECTION 2.02. *Redemptions Pursuant to Section 4C of Article Eight of the Indenture.* If, pursuant to Section 4C of Article Eight of the Indenture, as amended and supplemented, any proceeds of released property or other money then held by the Trustee shall be applied to the redemption of the Bonds of the Medium-Term Notes Series N, the Trustee shall give at least 45 days prior written notice of such redemption to the Note Trustee whereupon on the date fixed for redemption such principal amount thereof as is equal to such proceeds shall be redeemed; provided that no such redemption shall be made unless the Trustee shall be in receipt of a written certification of the Company and the Note Trustee that a like principal amount of

Series N Notes shall have been theretofore redeemed in accordance with the provisions of the Note Indenture. For purposes of determining which of the Company's First and Refunding Mortgage Bonds are subject to such mandatory redemption, the Mortgage Trustee shall consider the 10% stated annual interest rate of the Bonds of the Medium-Term Notes Series N, not the weighted average interest rate of outstanding Series N Notes. Bonds of said series so redeemed shall be cancelled.

SECTION 2.03. *Interest on Called Bonds to Cease.* Each Bond of the Medium-Term Notes Series N or portion thereof called for redemption under Section 2.02 hereof shall be due and payable at the office of the Note Trustee, as paying agent hereunder, at its redemption price and on the specified redemption date, anything herein or in such Bond to the contrary notwithstanding. From and after the date when each Bond of the Medium-Term Notes Series N or portion thereof shall be due and payable as aforesaid (unless upon said date the full amount due thereon shall not be held by the Note Trustee, as paying agent hereunder, and be immediately available for payment), all further interest shall cease to accrue on such bond or on such portion thereof, as the case may be.

SECTION 2.04. *Bonds Called in Part.* If only a portion of any Bond of the Medium-Term Notes Series N shall be called for redemption pursuant to Section 2.02 hereof, upon payment of the portion so called for redemption, the Note Trustee shall make an appropriate notation upon the Bond of the principal amount so redeemed.

SECTION 2.05. *Provisions of Indenture Not Applicable.* The provisions of Article Four of the Indenture, as amended and supplemented, shall not apply to the procedure for the exercise of any right of redemption reserved by the Company, or to any mandatory redemption provided, in this Article in respect of the Bonds of the Medium-Term Notes Series N. There shall be no sinking fund for the Bonds of the Medium-Term Notes Series N.

ARTICLE III.

CREDITS WITH RESPECT TO BONDS OF THE MEDIUM-TERM NOTES SERIES N.

SECTION 3.01. *Credits.* In addition to any other credit, payment or satisfaction to which the Company is entitled with respect to the Bonds of the Medium-Term Notes Series N, the Company shall be entitled to credits against amounts otherwise payable in respect of the Bonds of the Medium-Term Notes Series N in an amount corresponding to (i) the principal amount of any of the Company's Series N Notes issued under the Note Indenture surrendered to the Note Trustee by the Company, or purchased by the Note Trustee, for cancellation, (ii) the amount of money held by the Note Trustee and available and designated for the payment of principal or redemption price (exclusive of any premium) of, and/or interest on, the Series N Notes, regardless of the source of payment to the Note Trustee of such moneys and (iii) the amount by which principal of and interest due on the Bonds of the Medium-Term Notes Series N exceeds principal of and interest due on the Series N Notes. The Note Trustee shall make notation on such Bonds authorized hereby of any such credit.

SECTION 3.02. *Certificate of the Company.* A certificate of the Company signed by the President or any Vice President, and attested to by the Secretary or any Assistant Secretary, and consented to by the Note Trustee, stating that the Company is entitled to a credit under Section 3.01 hereof or that Bonds of the Medium-Term Notes Series N have been cancelled, and setting forth the basis therefor in reasonable detail, shall be conclusive evidence of such entitlement, and the Trustee shall accept such certificate as such evidence without further investigation or verification of the matters stated therein.

ARTICLE IV.

MISCELLANEOUS.

SECTION 4.01. *Authentication of Bonds of Medium-Term Notes Series N.* None of the Bonds of the Medium-Term Notes Series N, the issue of which is provided for by this supplemental indenture, shall be authenticated by or on behalf of the Trustee except in accordance with the provisions of the Indenture, as amended and supplemented, and this supplemental indenture, and upon compliance with the conditions in that behalf therein contained.

SECTION 4.02. *Additional Restrictions on Authentication of Additional Bonds Under Indenture.* The Company covenants that from and after the date of execution of this supplemental indenture no additional bonds (as defined in Section 1 of Article Two of the Indenture) shall be authenticated and delivered by the Trustee under Subdivision A of Section 4 of said Article Two on account of additions or improvements to the mortgaged property;

(1) unless the net earnings of the Company for the period required by Subdivision C of Section 6 of said Article Two shall have been at least twice the fixed charges (in lieu of 1-3/4 times such fixed charges, as required by said Subdivision C); and for the purpose of this condition (a) such fixed charges shall in each case include interest on the bonds applied for, notwithstanding the parenthetical provision contained in clause (4) of said Subdivision C, and (b) in computing such net earnings there shall be included in expenses of operation (under paragraph (c) of said Subdivision C) all charges against earnings for depreciation, renewals or replacements, and all certificates with respect to net earnings delivered to the Trustee in connection with any authentication of additional bonds under said Article Two shall so state; and (2) except to the extent of 60% (in lieu of 75% as permitted by Subdivision A of Section 7 of said Article Two) of the cost or fair value to the Company of the additions or improvements forming the basis for such authentication of additional bonds.

SECTION 4.03. *Restriction on Dividends.* The Company will not declare or pay any dividend on any shares of its common stock (other than dividends payable in shares of its common stock) or make any other distribution on any such shares, or purchase or otherwise acquire any such shares (except shares acquired without cost to the Company) whenever such action would reduce the earned surplus of the Company to an amount less than \$10,000,000 or such lesser amount as may remain after deducting from said \$10,000,000 all amounts appearing in the books of account of the Company on December 31, 1948, which shall thereafter, pursuant to any order or rule of any regulatory body entered after said date, be required to be removed, in whole or in part, from the books of account of the Company by charges to earned surplus.

SECTION 4.04. *Use of Facsimile Seal and Signatures.* The seal of the Company and any or all signatures of the officers of the Company upon any of the Bonds of the Medium-Term Notes Series N may be facsimiles.

SECTION 4.05. *Time for Making of Payment.* All payments of principal or redemption price of, and interest on, the Bonds of the Medium-Term Notes Series N shall be made either prior to the due date thereof or on the due date thereof in immediately available funds. In any case where the date of any such payment shall be a Saturday or Sunday or a legal holiday or a day on which banking institutions in the city of payment are authorized by law to close, then such payment need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such date.

SECTION 4.06. *Effective Period of Supplemental Indenture.* The preceding provisions of Articles I, II and III of this supplemental indenture shall remain in effect only so long as any of the Bonds of the Medium-Term Notes Series N shall remain outstanding.

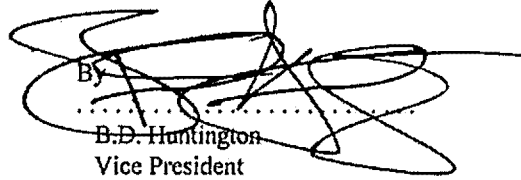
SECTION 4.07. *Effect of Approval of Board of Public Utilities of the State of New Jersey.* The approval of the Board of Public Utilities of the State of New Jersey of the execution and delivery of these presents and of the issue of any Bond of the Medium-Term Notes Series N shall not be construed as approval of said Board of any other act, matter or thing which requires approval of said Board under the laws of the State of New Jersey.

SECTION 4.08. *Execution in Counterparts.* For the purpose of facilitating the recording hereof, this supplemental indenture has been executed in several counterparts, each of which shall be and shall be taken to be an original, and all collectively but one instrument.

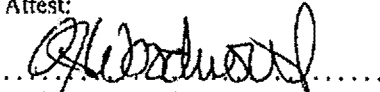
IN WITNESS WHEREOF, Public Service Electric and Gas Company, party hereto of the first part, after due corporate and other proceedings, has caused this supplemental indenture to be signed and acknowledged or proved by its President or one of its Vice Presidents and its corporate seal hereunto to be affixed and to be attested by the signature of its Secretary or an Assistant Secretary; and U.S. Bank National Association, as Trustee, party hereto of the second part, has caused this supplemental indenture to be signed and acknowledged or proved by its President or one of its Vice Presidents, and its corporate seal to be hereunto affixed and to be attested by the signature of its Secretary, Assistant Secretary, Vice President, or an Assistant Vice President. Executed and delivered this 1st day of December 2019.

Attest:

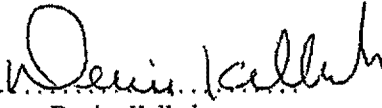
PUBLIC SERVICE ELECTRIC AND GAS COMPANY

By 
.....
B.D. Huntington
Vice President

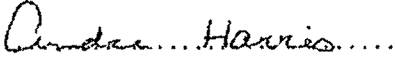
Attest:


.....
Andrew J. Woodworth
Assistant Secretary

U.S. BANK NATIONAL ASSOCIATION

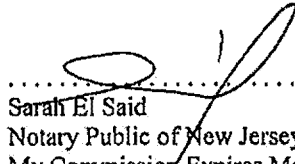
By 
.....
Denise Kellerk
Vice President

Attest:


Andrea Harris
Vice President

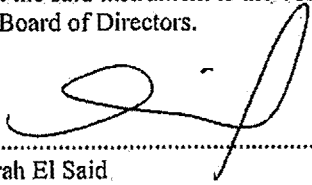
STATE OF NEW JERSEY)
 SS:)
COUNTY OF ESSEX)

Be it Remembered, that on this 1st day of December, 2019, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared B.D. Huntington, who, I am satisfied, is a Vice President of Public Service Electric and Gas Company, one of the corporations named in and which executed the foregoing instrument, and is the person who signed the said instrument as such officer, for and on behalf of such corporation, and I having first made known to him the contents thereof, he did acknowledge that he signed the said instrument as such officer, that the said instrument was made by such corporation and sealed with its corporate seal, that the said instrument is the voluntary act and deed of such corporation, made by virtue of authority from its Board of Directors, and that said corporation, the mortgagor, has received a true copy of said instrument.


.....
Sarah El Said
Notary Public of New Jersey
My Commission Expires March 12, 2023

STATE OF NEW JERSEY)
 SS:)
COUNTY OF ESSEX)


Be it Remembered, that on this 1st day of December 2019 before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared Denise Kellerk, who, I am satisfied, is a Vice President of U.S. Bank National Association, one of the corporations named in and which executed the foregoing instrument, and is the person who signed the said instrument as such officer, for and on behalf of such corporation, and I having first made known to her the contents thereof, she did acknowledge that she signed the said instrument as such officer, that the said instrument was made by such corporation and sealed with its corporate seal, and that the said instrument is the voluntary act and deed of such corporation, made by virtue of authority from its Board of Directors.


.....
Sarah El Said
Notary Public of New Jersey
My Commission Expires March 12, 2023

CERTIFICATE OF RESIDENCE

U.S. Bank National Association, Mortgagee and Trustee within named, hereby certifies that its precise residence is 333 Thornall Street, Edison, NJ 08837.

U.S. BANK NATIONAL ASSOCIATION

By 

Denise Kellerk
Vice President

*Pricing Supplement dated January 7, 2020
(To Prospectus Supplement dated January 7, 2020
and Prospectus dated November 17, 2017)*

3.150% Secured Medium-Term Notes, Series N, due January 1, 2050

PUBLIC SERVICE ELECTRIC AND GAS COMPANY (PSE&G)

CUSIP: 74456QCC8	Mode of Distribution: <input checked="" type="checkbox"/> Underwritten <input type="checkbox"/> Agented
Trade Date: January 7, 2020	<input checked="" type="checkbox"/> Academy Securities, Inc. (\$9,000,000)
Original Issue Date/Settlement Date: January 9, 2020	<input type="checkbox"/> Barclays Capital Inc.
Principal Amount: \$300,000,000	<input checked="" type="checkbox"/> BNP Paribas Securities Corp. (\$57,000,000)
Price to Public: 99.846% of Principal Amount, plus accrued interest from January 9, 2020 if settlement occurs after that date	<input checked="" type="checkbox"/> BNY Mellon Capital Markets, LLC (\$40,500,000)
Purchase Price: 99.096% of Principal Amount	<input type="checkbox"/> BofA Securities, Inc.
Net Proceeds to Company: \$297,288,000	<input checked="" type="checkbox"/> CastleOak Securities, L.P. (\$19,500,000)
Interest Rate: 3.150% per annum	<input type="checkbox"/> CIBC World Markets Corp.
Initial Interest Accrual Date: January 9, 2020	<input checked="" type="checkbox"/> Citigroup Global Markets Inc. (\$57,000,000)
Interest Payment Dates: January 1 and July 1, commencing July 1, 2020	<input type="checkbox"/> Credit Suisse Securities (USA) LLC
Regular Record Dates: December 15 and June 15	<input type="checkbox"/> Goldman Sachs & Co. LLC
Maturity Date: January 1, 2050	<input type="checkbox"/> J.P. Morgan Securities LLC
These Notes are DTC Eligible and will be issued in book-entry form.	<input checked="" type="checkbox"/> Mizuho Securities USA LLC (\$57,000,000)
	<input type="checkbox"/> Morgan Stanley & Co. LLC
	<input type="checkbox"/> MUFG Securities Americas Inc.
	<input checked="" type="checkbox"/> PNC Capital Markets LLC (\$19,500,000)
	<input type="checkbox"/> RBC Capital Markets, LLC
	<input type="checkbox"/> Scotia Capital (USA) Inc.
	<input checked="" type="checkbox"/> TD Securities (USA) LLC (\$40,500,000)
	<input type="checkbox"/> U.S. Bancorp Investments, Inc.
	<input type="checkbox"/> Wells Fargo Securities, LLC

Redemption Provisions:

The Secured Medium-Term Notes, Series N offered hereby (the "Secured Medium-Term Notes") will be subject to redemption as described in the prospectus and prospectus supplement.

Additionally, the Secured Medium-Term Notes will be subject to redemption at any time prior to July 1, 2049 (the date that is six months prior to the Maturity Date) (the "Make Whole Redemption Period") on not less than 30 days' prior written notice to holders, either as a whole or in part, at the option of PSE&G, at a redemption price equal to the greater of (i) 100% of the principal amount of the Secured Medium-Term Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest that would be due if such Secured Medium-Term Notes matured on July 1, 2049 (exclusive of accrued interest to the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points (0.150%), plus, in either case, accrued interest thereon to the date of redemption.

At any time on or after July 1, 2049 (the date that is six months prior to the Maturity Date), the Secured Medium-Term Notes will be subject to redemption on not less than 30 days' prior written notice to holders, either as a whole or in part, at the option of PSE&G, at a redemption price equal to 100% of the principal amount of the Secured Medium-Term Notes to be redeemed, plus accrued interest thereon to the date of redemption.

"Treasury Rate" means, with respect to any redemption date during the Make Whole Redemption Period, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Secured Medium-Term Notes to be redeemed (assuming that the Secured Medium-Term Notes matured on July 1, 2049) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to such remaining term of the Secured Medium-Term Notes to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date during the Make Whole Redemption Period, (i) the average of three Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of five Reference Treasury Dealer Quotations, or (ii) if the Trustee is unable to obtain five Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations so obtained.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by PSE&G and acceptable to the Trustee.

“Reference Treasury Dealer” means a primary U.S. Government Securities Dealer in the United States (a “Primary Treasury Dealer”) selected by PSE&G and acceptable to the Trustee.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date during the Make Whole Redemption Period, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed, in each case, as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at or before 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Use of Proceeds:

We expect to use a portion of the net proceeds from the sale of the Secured Medium-Term Notes and the concurrent offering of \$300 million aggregate principal amount of 2.450% Secured Medium-Term Notes, Series N, due January 15, 2030, to repay our indebtedness outstanding under our commercial paper program. As of January 3, 2020, we had approximately \$357 million of indebtedness outstanding under our commercial paper program at an average interest rate of 1.95% per annum and with an average maturity of 27 days. The commercial paper indebtedness was incurred for working capital purposes and to fund a dividend from the Company to its parent, Public Service Enterprise Group Incorporated.

The remaining net proceeds from this offering and the concurrent offering will be used for general corporate purposes.

No PRIIPs KID:

No PRIIPs key information document (KID) has been prepared as not available to retail in the EEA.

Filed pursuant to Rule 433
dated January 7, 2020
Relating to
Preliminary Pricing Supplement dated January 7, 2020
to Prospectus Supplement dated January 7, 2020 and
Prospectus dated November 17, 2017
Registration Statement No. 333-221639

Pricing Term Sheet for 2.450% Secured Medium-Term Notes, Series N, due January 15, 2030

PUBLIC SERVICE ELECTRIC AND GAS COMPANY (PSE&G)

Issuer: Public Service Electric and Gas Company
Trade Date: January 7, 2020
Original Issue Date/Settlement Date: January 9, 2020
Principal Amount: \$300,000,000
Price to Public: 99.770% of Principal Amount, plus accrued interest, if any, from January 9, 2020 if settlement occurs after that date
Interest Rate: 2.450% per annum
Interest Payment Dates: January 15 and July 15, commencing July 15, 2020
Redemption: As specified in Preliminary Pricing Supplement dated January 7, 2019. Make Whole amount during the Make Whole Redemption Period to be determined at a discount rate equal to the Treasury Rate plus 10 basis points (0.100%).

Maturity Date: January 15, 2030
CUSIP: 74456QCB0
Joint Book-Running Managers:
BNP Paribas Securities Corp. (\$57,000,000)
Citigroup Global Markets Inc. (\$57,000,000)
Mizuho Securities USA LLC (\$57,000,000)
BNY Mellon Capital Markets, LLC (\$40,500,000)
TD Securities (USA) LLC (\$40,500,000)
Co-Managers:
CastleOak Securities, L.P. (\$19,500,000)
PNC Capital Markets LLC (\$19,500,000)
Academy Securities, Inc. (\$9,000,000)

The issuer has filed a registration statement (including a prospectus, a prospectus supplement and a preliminary pricing supplement) with the Securities and Exchange Commission (the "SEC") for the offering to which this communication relates. Before you invest, you should read the prospectus, the prospectus supplement and the preliminary pricing supplement in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC's Web site at www.sec.gov. Alternatively, the issuer or any underwriter participating in the offering will arrange to send you these documents if you request them by calling BNP Paribas Securities Corp. toll free at (800) 854-5674, Citigroup Global Markets Inc. toll free at (800) 831-9146 or Mizuho Securities USA LLC toll free at (866) 271-7403.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Sale and Pricing Committee

December 23, 2019

MEDIUM-TERM NOTES

WHEREAS, by its Order (Docket No. EF19070774) dated November 13, 2019 (the “**BPU Order**”), the Board of Public Utilities of the State of New Jersey (the “**BPU**”) has authorized Public Service Electric and Gas Company (this “**Company**”) to issue and sell its long-term debt, including First and Refunding Mortgage Bonds and Secured Medium-Term Notes, and to execute indentures and/or supplemental indentures related thereto, in an aggregate principal amount of not more than \$3,200,000,000 and as necessary to refinance outstanding debt to achieve cost savings or a more efficient management of its capital structure, through December 31, 2021; and

WHEREAS, the officers of this Company, acting on behalf of this Company pursuant to resolutions adopted by the Board of Directors of this Company on September 19, 2017, have filed an automatic shelf registration statement on Form S-3ASR, No. 333-221639, together with required exhibits (collectively, the “**Registration Statement**”), with the Securities and Exchange Commission (“**SEC**”) relating to the issuance and sale by this Company of its debt securities, including its First and Refunding Mortgage Bonds and Secured Medium-Term Notes, which Registration Statement became effective upon filing with the SEC on November 17, 2017; and

WHEREAS, by resolutions adopted on February 19, 2019, the Board of Directors of this Company has delegated to this Committee authority to approve the offer, issuance and sale of this Company’s debt securities (subject to certain limitations regarding the amount of such securities set forth in those resolutions), including the securities which may be issued and sold pursuant to the Registration Statement and the BPU Order; and

WHEREAS, the officers of this Company acting on behalf of this Company, have recommended the establishment of a Secured Medium-Term Note Program, Series N, in the aggregate amount of \$3,200,000,000 (the “**Medium-Term Note Program**”); and

WHEREAS, in conjunction with such Secured Medium-Term Note Program, this Company will issue a mortgage bond and related supplemental indenture under its First and Refunding Mortgage dated August 1, 1924, as amended and supplemented (the “**Mortgage**”), with Fidelity Union Trust Company (U.S. Bank National Association, successor trustee), as trustee (the “**Mortgage Trustee**”), to service and secure up to \$3,200,000,000 aggregate principal amount of its Secured Medium-Term Notes, Series N (the “**Series N Notes**”), to be issued and sold by this Company pursuant to its Indenture dated July 1, 1993 (the “**Indenture**”) with The Chase Manhattan Bank, N.A. (The Bank of New York Mellon, successor trustee), as trustee (the “**Note Trustee**”); and

WHEREAS, pursuant to such Medium-Term Note Program, such Series N Notes are to have maturities from one to thirty years, interest rates not to exceed 10.0% per annum, maximum coupon spreads over U.S. Treasury Securities with a comparable maturity not exceeding the amounts authorized in the BPU Order or such other applicable order of the BPU as may be in effect from time to time and such other terms, not inconsistent herewith and with the authority delegated to this Committee by the Board of Directors of this Company, as may be specified and approved by the Executive Vice President and Chief Financial Officer, the Vice President and Treasurer or any Assistant Treasurer of this Company, or any of them; and

WHEREAS, none of such Series N Notes have been issued and sold heretofore; and

WHEREAS, following the execution, delivery and recording of the supplemental indenture (the "**Supplemental Indenture**") relating to the Series N Bonds (as defined below), this Company proposes to offer, issue and sell up to \$600,000,000 aggregate principal amount of its Series N Notes under the Indenture, through such of the Agents (as defined below) as may be selected by the Executive Vice President and Chief Financial Officer, the Vice President and Treasurer or any Assistant Treasurer; and

WHEREAS, the issuance and sale of such Series N Notes will be made pursuant to the BPU Order, the Registration Statement, Distribution Agreement (as defined below) and the Indenture.

RATIFICATION

NOW, THEREFORE, BE IT RESOLVED, that the actions of the officers of this Company with respect to obtaining the BPU Order, and the filing and effectiveness of the Registration Statement are hereby affirmed, ratified and approved; and it is

ESTABLISHMENT OF MEDIUM-TERM NOTE PROGRAM

FURTHER RESOLVED, that there be established by this Company a new Secured Medium-Term Note Program pursuant to which it may issue and sell from time-to-time, at the direction of this Committee, pursuant to the authority delegated to this Committee by the Board of Directors of this Company, through one or more of the Agents, not more than \$3,200,000,000 aggregate principal amount of its Secured Medium-Term Notes to be designated the "Medium-Term Notes, Series N", to be serviced and secured by \$3,200,000,000 aggregate principal amount of this Company's First and Refunding Mortgage Bonds to be designated the First and Refunding Mortgage Bonds, Medium-Term Notes Series N (the "**Series N Bonds**"), such Series N Bonds to have a maturity of thirty-five years, interest rates not to exceed 10.0% per annum, maximum coupon spreads over U.S. Treasury Securities with a comparable maturity not exceeding the amounts authorized in the BPU Order or such other applicable order of the BPU as may be in effect from time to time and such other terms as may be specified and approved by this Company from time to time, not inconsistent with the provisions of the BPU Order or such other applicable order of the BPU as may be in effect from time to time; and it is

FURTHER RESOLVED, that the Series N Notes shall have maturities from one to thirty years, interest rates not to exceed 10% per annum, maximum coupon spreads over U.S. Treasury Securities with a comparable maturity not exceeding the amounts authorized in the BPU Order or such other applicable order of the BPU as may be in effect from time to time and such other terms, not inconsistent herewith and with the authority delegated to this Committee by the Board of Directors of this Company, as may be specified and approved by the Executive Vice President and Chief Financial Officer, the Vice President and Treasurer or any Assistant Treasurer of this Company, or any of them, which approval shall be conclusively evidenced by such officer's execution of such Series N Notes; and it is

EXECUTION AND DELIVERY OF DISTRIBUTION AGREEMENT

FURTHER RESOLVED, that the Chairman of the Board and Chief Executive Officer, the President and Chief Operating Officer, the Executive Vice President and Chief Financial Officer, the Vice President and Treasurer and the Secretary or any Assistant Secretary of this Company (each, an "Authorized Officer") be, and they hereby are, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of this Company, to execute and deliver a Distribution Agreement with Barclays Capital Inc., BofA Securities, Inc., BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, Citigroup Global Markets Inc., CIBC World Markets Corp., Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., J.P. Morgan Securities LLC, MUFG Securities Americas Inc., Mizuho Securities USA Inc., Morgan Stanley & Co. LLC, PNC Capital Markets LLC, RBC Capital Markets, LLC, Scotia Capital (USA) Inc., TD Securities (USA) LLC, U.S. Bancorp Investments, Inc. and Wells Fargo Securities, LLC and one or more additional agents as may be selected from time to time by the Executive Vice President and Chief Financial Officer, the Vice President and Treasurer or any Assistant Treasurer (each an "Agent" and, collectively, the "Agents") pursuant to which each of them will act from time to time, as an agent or as agents or principal or principals as provided therein with respect to not more than \$3,200,000,000 aggregate principal amount of this Company's Series N Notes, a copy of which Distribution Agreement has been submitted to this meeting and ordered to be filed with the records of this meeting, with such changes, other than changes in the amount of commissions payable to the Agents, in such Distribution Agreement not inconsistent with these resolutions as shall be approved by the Authorized Officer who shall execute the same, which approval shall be conclusively evidenced by such Authorized Officer's execution thereof; and it is

EXECUTION, ACKNOWLEDGEMENT AND DELIVERY OF SUPPLEMENTAL INDENTURE

FURTHER RESOLVED, that the Supplemental Indenture, dated as of December 1, 2019 between this Company and the Mortgage Trustee, further supplementing the Mortgage and providing for the Series N Bonds, reviewed by the Committee prior to this meeting, and the form of such Series N Bonds as set forth in said form of Supplemental Indenture, be, and the same hereby are, adopted, approved, authorized and ratified, and ordered to be filed with the records of this meeting; that said series be designated "First and Refunding Mortgage Bonds, Medium-Term Notes Series N"; that the interest rate to be inserted in the appropriate blanks in said Supplemental Indenture and in the form of the Medium-Term Notes Series N Bonds, be 10.0% and that the Series

N Bonds shall bear the distinguishing letter R and be numbered consecutively commencing with number 1; and it is

FURTHER RESOLVED, that, with respect to the Series N Bonds, the Committee ratifies the (1) execution by an Authorized Officer under this Company's corporate seal and acknowledgement of the Supplemental Indenture dated as of December 1, 2019, substantially in the form reviewed by the Committee prior to this meeting and filed with the records of this meeting, and containing substantially the terms and provisions therein set forth, including the insertion of the interest rate of 10.0%, with such changes in the Supplemental Indenture (except changes in such insertion) approved by the Authorized Officer who executed the same, which approval shall be conclusively evidenced by such Authorized Officer's execution thereof, (2) delivery of such Supplemental Indenture so executed and acknowledged, to the Mortgage Trustee, for execution and acknowledgment by it, and (3) the recording of such Supplemental Indenture, so executed and acknowledged, as may be required; and it is

FURTHER RESOLVED, that the actions of the Authorized Officers to make such Supplemental Indenture valid and the lien thereof effective be, and they hereby are adopted, approved, authorized and ratified; and it is

AUTHENTICATION OF \$1,249,826,241 AGGREGATE PRINCIPAL AMOUNT OF SERIES N BONDS ON THE BASIS OF REFUNDINGS

FURTHER RESOLVED, that the Mortgage Trustee under the Mortgage, as supplemented by the Supplemental Indenture, be, and it hereby is, requested, pursuant to Subdivision A of Section 11 of Article Two and Section 5 of Article Three of the Mortgage, to authenticate and deliver to the order of Bradford D. Huntington, Vice President and Treasurer of this Company, Benjamin Zoe or Peter W. Caruso, each an Assistant Treasurer of this Company, \$1,249,826,241 aggregate principal amount of this Company's Series M Bonds, issued under and secured by said Mortgage as so supplemented for the purpose of refunding:

- \$400,000,000 principal amount of First and Refunding Mortgage Bonds, Medium-Term Notes Series E that matured on May 1, 2018;
- \$350,000,000 principal amount of First and Refunding Mortgage Bonds, Medium-Term Notes Series I that matured on September 15, 2018;
- \$250,000,000 principal amount of First and Refunding Mortgage Bonds, Medium-Term Notes Series I that matured on June 1, 2019; and
- \$250,000,000 principal amount of First and Refunding Mortgage Bonds, Medium-Term Notes Series J that matured on August 15, 2019;

net of payments in the aggregate amount of \$173,759 made to this Company by the Mortgage Trustee pursuant to Subdivision A of Section 1 of Article Eight of the Mortgage relating to cash previously delivered to the Mortgage Trustee pursuant to Subdivision F of Section 2 of Article Eight of the Mortgage in connection with the release of property; and it is

FURTHER RESOLVED, that the following be, and they hereby are, selected to make the Certificates or give the Opinions hereinafter specified, required by the Mortgage as a basis for

the authentication and delivery by the Mortgage Trustee of said \$1,249,826,241 aggregate principal amount of First and Refunding Mortgage Bonds, Medium-Term Notes Series M: the President or any Vice President to make the Certificate or give the Opinion required by Subdivision D of Section 11 of Article Two and Section 5 of Article Three of the Mortgage, and Tamara Linde or Shawn P. Leyden, each an Attorney-at-Law of the State of New Jersey, to give the opinions of counsel required by Subdivision D of Section 11 of Article Two of the Mortgage and Section 5 of Article Three of the Mortgage; and it is

FURTHER RESOLVED, that this Committee does hereby determine the following to be the terms of the Series N Bonds, requested to be authenticated by the Mortgage Trustee, under Subdivision A of Section 11 of Article Two and Section 5 of Article Three of the Mortgage providing for the issue of said Series M Bonds:

Principal amount:	\$1,249,826,241
Interest Rate:	10%
Maturity:	35 years from the date of said Supplemental Indenture

and it is

AUTHENTICATION AND DELIVERY OF \$1,950,173,759 AGGREGATE PRINCIPAL AMOUNT OF SERIES N BONDS ON THE BASIS OF ADDITIONS AND IMPROVEMENTS

FURTHER RESOLVED, that the Mortgage Trustee under the Mortgage, as supplemented by the Supplemental Indenture, be, and it hereby is, requested, pursuant to Subdivision A of Section 4 and Subdivision A of Section 11 of Article Two of the Mortgage, to authenticate and deliver to the order of Bradford D. Huntington, Vice President and Treasurer of this Company, or Benjamin Zoe or Peter W. Caruso, each an Assistant Treasurer of this Company, \$1,950,173,759 aggregate principal amount of this Company's Series N Bonds, issued under and secured by said Mortgage as so supplemented, the purpose of such authentication being to enable this Company to satisfy obligations incurred or to reimburse itself for expenditures made to satisfy obligations incurred for the purpose of acquiring and constructing additions and improvements of the character defined and specified in Section 6 of Article Two of the Mortgage for use by this Company in connection with the primary purposes of its business in supplying the public with light, heat and power; and it is

FURTHER RESOLVED, that the following be, and each of them hereby is, selected to make the Certificates or give the Opinions hereinafter specified, required by Article Two of the Mortgage as a basis for the authentication and delivery by such Mortgage Trustee of said Bonds: the Chairman of the Board and Chief Executive Officer, President and Chief Operating Officer or any Vice President to make the Certificate or give the Opinion required by Subdivision D of Section 11 of said Article Two and the Certificates required by Subdivisions A and C of Section 12 of said Article Two; Bradford D. Huntington, Vice President, of this Company, as competent persons, to make the Certificate required by Subdivision B of Section 12 of said Article Two; Tamara Linde or Shawn P. Leyden, each an Attorney-at-Law of the State of New Jersey, to give the opinions of counsel required by Subdivision B of Section 11 and Subdivision D of Section 12 of said Article

Two and Section 5 of said Article Three; and Rose M. Chernick, Donna Powell and John J. Doherty, or any of them, each an accountant of this Company, to join with the President or a Vice President in making the Certificate required by Subdivision C of Section 12 of said Article Two; and it is

FURTHER RESOLVED, that this Committee does hereby determine the following to be the terms of the Series N Bonds, requested to be authenticated by the Mortgage Trustee, under Subdivision A of Section 4 and Subdivision A of Section 11 of Article Two of the Mortgage (the execution, acknowledgement and delivery of which Supplemental Indenture were authorized at this meeting) providing for the issue of said Series N Bonds:

Principal amount:	\$1,950,173,759
Interest Rate:	10%
Maturity:	35 years from the date of said Supplemental Indenture

and it is

EXECUTION AND DELIVERY OF SERIES N BONDS

FURTHER RESOLVED, that the Authorized Officers be, and they hereby are, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of this Company, to (1) execute under its corporate seal, and acknowledge, the Series N Bonds, substantially in the form as set forth in the Supplemental Indenture and with the terms authorized by these resolutions; and (2) deliver said Series N Bonds in accordance with the provisions of the Mortgage, the Supplemental Indenture and the Indenture; and it is

FURTHER RESOLVED, that the Authorized Officers be, and they hereby are, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of this Company, to execute and file any and all instruments and to take any and all other actions deemed necessary or desirable incident to or in connection with the qualification of the Series N Bonds for sale under the laws of any State, District, Commonwealth or Territory of the United States of America, and that all actions heretofore taken by any of the officers of this Company for such purpose is hereby ratified, approved and confirmed; and it is

APPOINTMENT OF PAYING AGENT AND REGISTRAR FOR MEDIUM-TERM NOTES SERIES N BONDS

FURTHER RESOLVED, that U.S. Bank National Association is hereby appointed paying agent of this Company for the payment of the interest on and the principal of the Series N Bonds when such interest and principal shall become due, in accordance with the terms and provisions of the Mortgage, the Supplemental Indenture and of the Series N Bonds, issued thereunder; and it is

FURTHER RESOLVED, that U.S. Bank National Association is hereby appointed registrar of this Company to keep a register or registers for the registration of the Series N Bonds and to register such Series N Bonds when presented for registration; and it is

FURTHER RESOLVED, that U.S. Bank National Association is hereby authorized and directed, from time to time, as and when any of such Series N Bonds shall be presented for such purpose, accompanied by proper instruments of assignment thereof, executed by the registered holders thereof, to transfer such Series N Bonds; and it is

FURTHER RESOLVED, that U.S. Bank National Association is hereby authorized and directed, from time to time, to make exchanges of such Series N Bonds in the manner provided in the Mortgage; and it is

MEDIUM-TERM NOTE PROGRAM PROSPECTUS SUPPLEMENT

FURTHER RESOLVED, that the Authorized Officers of this Company be, and they hereby are, and each of them hereby is, authorized, empowered and directed to prepare one or more prospectus supplements, a copy of which has been presented to this meeting and ordered to be filed with the records of this meeting, with such changes to the base prospectus included in the Registration Statement and form of prospectus supplement and such additional terms and provisions, in each case as each such Authorized Officer, in his or her discretion, deems necessary, appropriate or advisable and that such Authorized Officer is authorized and directed to file such prospectus supplement with the SEC, the filing of such prospectus supplement with the SEC to be conclusive evidence that such additional terms and provisions were necessary, appropriate or advisable; and it is

ISSUANCE AND SALE OF SERIES N NOTES

FURTHER RESOLVED, that this Company is authorized and empowered to issue and sell its Series N Notes pursuant to its Medium-Term Note Program, the BPU Order, the Registration Statement, the Indenture and the Distribution Agreement, with such final terms, including redemption provisions, as shall be approved by the Executive Vice President and Chief Financial Officer, the Vice President and Treasurer or any Assistant Treasurer of this Company, or any of them, not inconsistent with these resolutions, which approval shall be conclusively evidenced by such officer's execution of such Series N Notes, provided that: (i) such Series N Notes may be issued and sold in one or more tranches; (ii) the aggregate principal amount of the Series N Notes to be issued and sold at this time shall not exceed \$600,000,000; (iii) the interest rate on such Series N Notes to be issued and sold at this time shall not exceed 10% per annum; (iv) the maturity date of such Series N Notes to be issued and sold at this time shall be no later than 30 years after the date of issuance (with allowances to be made for short and long interest payment periods); and (v) the spread over the comparable U.S. Treasury security for such Series N Notes to be issued and sold at this time shall not exceed 140 basis points; and it is

FURTHER RESOLVED, that the Authorized Officers be, and they hereby are, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of this Company, to (i) execute the Series N Notes to be issued and sold at this time in accordance with

the provisions of the Indenture, and to acknowledge said Series N Notes, substantially in the form as set forth in the Indenture and with the terms authorized by these resolutions and (ii) deliver said Series N Notes in accordance with the provisions of the Indenture and the Distribution Agreement; and it is

FURTHER RESOLVED, that once the final terms of the issuance of Series N Notes to be issued and sold at this time have been established and approved in accordance with the foregoing resolutions, the Authorized Officers be, and they hereby are, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of this Company, to prepare one or more pricing supplements to the prospectus supplement and free writing prospectuses containing the final pricing terms of such Series N Notes, with such additional terms and provisions, in each case as such Authorized Officers, in their discretion, deem necessary, appropriate or advisable, and that such Authorized Officers are authorized and directed to file such pricing supplements and free writing prospectuses with the SEC, the filing of such pricing supplements and free writing prospectuses to be conclusive evidence that any such additional terms and provisions are necessary, appropriate or advisable; and it is

FURTHER RESOLVED, that the Authorized Officers be, and they hereby are, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of this Company, to execute and file any and all instruments and to take any and all other actions deemed necessary or desirable incident to or in connection with the qualification of the Series N Notes for sale under the laws of any State, District, Commonwealth or Territory of the United States of America, and that all actions heretofore taken by any of the officers of this Company for such purpose is hereby ratified, approved and confirmed; and it is

GENERAL AUTHORIZATION TO OFFICERS

FURTHER RESOLVED, that the Authorized Officers be, and they hereby are, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of this Company, to take all such steps and do all such acts and things as they or any one or more of the shall deem necessary, appropriate or advisable to proceed with the establishment of the Medium-Term Notes Program, execution and delivery of the Series N Bonds and the offering, issuance and sale of the Series N Notes to be issued and sold at this time, including, but not limited to, the appointment of any agents required by the documents relating to the offering, including Agents under the Distribution Agreement, and the related execution of one or more "dealers for a day" agreements and any other related documents; the incurrence and payment of any and all fees, costs, expenses and disbursements; the preparation, execution and filing of any necessary, appropriate or advisable instruments, certificates, affidavits, or other documents in connection therewith; the signing or endorsement of any check, posting of any bonds and the payment of any fees in connection with the offering; and to do any and all acts and things which any one or more of them shall deem necessary, appropriate or advisable in order to carry out the intent and purpose of any and all of the foregoing resolutions; and it is

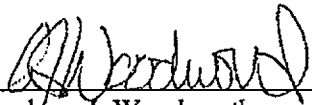
FURTHER RESOLVED, that any actions taken or fees, costs, expenses or disbursements paid by any officer of this Company prior to the adoption of these resolutions, which such action

would not have been inconsistent with the intent and purpose of any and all of the foregoing resolutions, are hereby adopted, affirmed, ratified and approved; and it is

FURTHER RESOLVED, that the power and authority conferred by the foregoing resolutions shall be supplemental and in addition to and not in derogation of any other power or authority conferred by this Committee or the Board of Directors.

I, Andrew J. Woodworth, Assistant Secretary, hereby certify that the foregoing resolutions were adopted by the Sale and Pricing Committee of Public Service Electric and Gas Company at a meeting held on December 23, 2019 and such resolutions have not been rescinded or altered and remain in full force and effect on this date.

December 23, 2019



Andrew J. Woodworth
Assistant Secretary

Filed pursuant to Rule 433
dated January 7, 2020
Relating to
Preliminary Pricing Supplement dated January 7, 2020
to Prospectus Supplement dated January 7, 2020 and
Prospectus dated November 17, 2017
Registration Statement No. 333-221639

Pricing Term Sheet for 3.150% Secured Medium-Term Notes, Series N, due January 1, 2050

PUBLIC SERVICE ELECTRIC AND GAS COMPANY (PSE&G)

Issuer: Public Service Electric and Gas Company
Trade Date: January 7, 2020
Original Issue Date/Settlement Date: January 9, 2020
Principal Amount: \$300,000,000
Price to Public: 99.846% of Principal Amount, plus accrued interest, if any, from January 9, 2020 if settlement occurs after that date
Interest Rate: 3.150% per annum
Interest Payment Dates: January 1 and July 1, commencing July 1, 2020
Redemption: As specified in Preliminary Pricing Supplement dated January 7, 2019. Make Whole amount during the Make Whole Redemption Period to be determined at a discount rate equal to the Treasury Rate plus 15 basis points (0.150%).

Maturity Date: January 1, 2050
CUSIP: 74456QCC8
Joint Book-Running Managers:
BNP Paribas Securities Corp. (\$57,000,000)
Citigroup Global Markets Inc. (\$57,000,000)
Mizuho Securities USA LLC (\$57,000,000)
BNY Mellon Capital Markets, LLC (\$40,500,000)
TD Securities (USA) LLC (\$40,500,000)
Co-Managers:
CastleOak Securities, L.P. (\$19,500,000)
PNC Capital Markets LLC (\$19,500,000)
Academy Securities, Inc. (\$9,000,000)

The issuer has filed a registration statement (including a prospectus, a prospectus supplement and a preliminary pricing supplement) with the Securities and Exchange Commission (the "SEC") for the offering to which this communication relates. Before you invest, you should read the prospectus, the prospectus supplement and the preliminary pricing supplement in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC's Web site at www.sec.gov. Alternatively, the issuer or any underwriter participating in the offering will arrange to send you these documents if you request them by calling BNP Paribas Securities Corp. toll free at (800) 854-5674, Citigroup Global Markets Inc. toll free at (800) 831-9146 or Mizuho Securities USA LLC toll free at (866) 271-7403.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
80 Park Plaza, 6th Floor
Newark, New Jersey 07102

January 7, 2020

To each of the Addressees set forth on Exhibit A hereto

Re: Public Service Electric and Gas Company
Secured Medium-Term Notes, Series N

Ladies/Gentlemen:

Public Service Electric and Gas Company (the "Company") confirms its agreement with you relating to the issuance and sale by the Company of the two tranches of secured medium-term notes described in Exhibits B and C attached hereto (the "Notes"). Reference is hereby made to the Distribution Agreement, dated January 7, 2020 (the "Distribution Agreement"), among the Company and the several Agents, relating to the issue and sale by the Company of its Secured Medium-Term Notes, Series N, with maturities of one year or more from the date of issue. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Distribution Agreement.

Solely for purposes of the offering of the Notes, the Company hereby appoints you as an Agent, and all references to "Agent" and "Agents" in the Distribution Agreement shall apply to you for such purpose. By executing this letter agreement, you hereby agree to become a party to the Distribution Agreement. As such, you are entitled to the benefits of, and subject to an Agent's duties under, the terms and conditions of the Distribution Agreement, which terms and conditions are incorporated by reference as fully as if set forth herein.

This Agreement shall automatically terminate upon the delivery of and payment for the Notes except (i) the Company's obligations under Sections 4(a), 4(b), 4(e), 4(f), 4(g) and 4(i) of the Distribution Agreement shall continue during the period when the Prospectus is required to be delivered (or but for the exemption in Rule 172 of the 1933 Act Regulations would be required to be delivered) under the 1933 Act, (ii) the obligations of the parties under Sections 8, 9, 10, 15 and 16 of the Distribution Agreement shall remain operative and in full force and effect after delivery of the Notes, and (iii) the representations and warranties of the Company contained in the Distribution Agreement shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Agent or any controlling person of the Agent, or by or on behalf of the Company, and shall survive the delivery of and payment for the Notes.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Jersey, without giving effect to the conflict of laws provisions thereof.

This Agreement may be signed in counterparts, each of which shall be an original, and all of which together shall constitute one and the same instrument.

If the foregoing correctly sets forth our agreement, please indicate your acceptance hereof in the space provided for that purpose below.

Very truly yours,

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

By: 

Name: Bradford D. Huntington

Title: Vice President and Treasurer

CONFIRMED AND ACCEPTED,
as of the date first above written:

ACADEMY SECURITIES, INC.

By: 

Name:

Title: Michael Boyd
Chief Compliance Officer

CASTLEOAK SECURITIES, L.P.

By: _____

Name:

Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

ACADEMY SECURITIES, INC.

By: _____
Name:
Title:

CASTLEOAK SECURITIES, L.P.

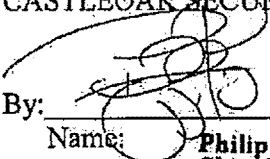
By:  _____
Name: **Philip J. Ippolito**
Title: **Chief Financial Officer &
Director of Operations
CastleOak Securities, L.P.**

EXHIBIT A

Academy Securities, Inc.
140 East 45th Street
New York, New York 10017

CastleOak Securities, L.P.
110 East 59th Street, 2nd Floor
New York, New York 10022

EXHIBIT B

TERMS OF 2.450% SECURED MEDIUM-TERM NOTES, SERIES N,
DUE JANUARY 15, 2030

Principal Amount of Note:	\$300,000,000
Issuer:	Public Service Electric and Gas Company
Interest Rate:	2.450%
Original Issue Date:	January 9, 2020
Maturity Date:	January 15, 2030
Purchase Price:	99.170% of the Principal Amount
Other Terms:	As set forth in the Pricing Supplement dated January 7, 2020

EXHIBIT C

TERMS OF 3.150% SECURED MEDIUM-TERM NOTES, SERIES N,
DUE JANUARY 1, 2050

Principal Amount of Note:	\$300,000,000
Issuer:	Public Service Electric and Gas Company
Interest Rate:	3.150%
Original Issue Date:	January 9, 2020
Maturity Date:	January 1, 2050
Purchase Price:	99.096% of the Principal Amount
Other Terms:	As set forth in the Pricing Supplement dated January 7, 2020.

Execution Version

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**Secured Medium-Term Notes, Series N
Due From 1 Year to 30 Years from Date of Issue**

DISTRIBUTION AGREEMENT

RECEIVED
MAIL ROOM
JAN 10 2020
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

January 7, 2020

RECEIVED
CASE MANAGEMENT
JAN 10 A 11: 12
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

BARCLAYS CAPITAL INC.
745 Seventh Avenue
New York, New York 10019

MIZUHO SECURITIES USA LLC
320 Park Avenue, 12th Floor
New York, New York 10022

BNP PARIBAS SECURITIES CORP.
787 Seventh Avenue, 7th Floor
New York, New York 10019

MORGAN STANLEY & CO. LLC
1585 Broadway
New York, New York 10036

BNY MELLON CAPITAL MARKETS, LLC
240 Greenwich Street, 3rd Floor
New York, New York 10286

MUFG SECURITIES AMERICAS INC.
1221 Avenue of the Americas, 6th Floor
New York, New York 10020

BOFA SECURITIES, INC.
One Bryant Park
New York, New York 10036

PNC CAPITAL MARKETS LLC
300 Fifth Avenue, 10th Floor
Pittsburgh, Pennsylvania 15222

CIBC WORLD MARKETS CORP.
300 Madison Avenue, 5th Floor
New York, New York 10017

RBC CAPITAL MARKETS, LLC
200 Vesey Street, 8th Floor
New York, New York 10281

CITIGROUP GLOBAL MARKETS INC.
388 Greenwich Street
New York, New York 10013

SCOTIA CAPITAL (USA) INC.
250 Vesey Street
New York, New York 10281

CREDIT SUISSE SECURITIES (USA) LLC
Eleven Madison Avenue
New York, New York 10010

TD SECURITIES (USA) LLC
31 West 52nd Street, 2nd Floor
New York, New York 10019

GOLDMAN SACHS & CO. LLC
200 West Street
New York, New York 10282

U.S. BANCORP INVESTMENTS, INC.
214 N. Tryon Street, 26th Floor
Charlotte, North Carolina 28202

J.P. MORGAN SECURITIES LLC
383 Madison Avenue
New York, New York 10179

WELLS FARGO SECURITIES, LLC
550 South Tryon Street
Charlotte, North Carolina 28202

Ladies and Gentlemen:

Public Service Electric and Gas Company, a New Jersey corporation (the "Company"), confirms its agreement with Barclays Capital Inc., BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, BofA Securities, Inc., CIBC World Markets Corp., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., PNC Capital Markets LLC, RBC Capital Markets, LLC, Scotia Capital (USA) Inc., TD Securities (USA) LLC, U.S. Bancorp Investments, Inc. and Wells Fargo Securities, LLC (each, an "Agent" and collectively, the "Agents") with respect to the issue and sale from time to time by the Company of up to U.S. \$3,200,000,000 aggregate principal amount of its Secured Medium-Term Notes, Series N, Due from 1 Year to 30 Years from Date of Issue (the "Notes"). The Notes are to be issued pursuant to the Indenture of Trust, dated as of July 1, 1993, as amended and supplemented from time to time (the "Indenture"), between the Company and The Bank of New York Mellon (as successor trustee to The Chase Manhattan Bank (National Association)), as trustee (the "Indenture Trustee"). As used herein, the term "First Mortgage" means the First and Refunding Mortgage, dated August 1, 1924, between the Company and U.S. Bank National Association (as successor trustee to Wachovia Bank, National Association, which was previously known as Fidelity Union Trust Company), as trustee (the "Mortgage Trustee"), as supplemented and amended from time to time. The term "First Mortgage Bonds" means the First and Refunding Mortgage Bonds, Medium-Term Notes Series N, issued pursuant to a Supplemental Indenture to the First Mortgage, dated December 1, 2019 (the "Supplemental Indenture"), and delivered to the Indenture Trustee as security for the Notes.

This Agreement provides both for the sale of Notes by the Company directly to purchasers, in which case the Agents will act as agents of the Company in soliciting Note purchasers, and (as may from time to time be agreed to by the Company and the applicable Agent) to such Agent as principal for resale to purchasers.

The Company has filed with the Securities and Exchange Commission (the "SEC") an automatic shelf registration statement on Form S-3 (No. 333-221639) for the registration of its debt securities, including the Notes, under the Securities Act of 1933, as amended (the "1933 Act"), and the offering thereof from time to time in accordance with Rule 415 of the rules and regulations of the SEC under the 1933 Act (the "1933 Act Regulations"). "Registration Statement" means, as of any time, the aforementioned registration statement, as amended to such time, including any document incorporated, or deemed to be incorporated, by reference therein and any prospectus, prospectus supplement and/or pricing supplement that is, or is deemed or retroactively deemed to be, a part thereof at such time that has not been superseded or modified; *provided, however*, that in the absence of any time reference, the relevant time shall be the time of the first contract of sale for the Notes of a particular tranche, which time shall be considered the "new effective date" of the Registration Statement with respect to such Notes within the meaning of Rule 430B(f)(2) of the 1933 Act Regulations; *provided, further*, that information contained in a form of prospectus, prospectus supplement or pricing supplement that is retroactively deemed to be part of the Registration Statement pursuant to Rule 430B or Rule 430C shall be considered to be included in the Registration Statement as of the time specified in Rule 430B or Rule 430C, as the case may be, unless otherwise specified herein. The Registration Statement originally became effective upon filing pursuant to Rule 462(e) of the 1933 Act Regulations, and the Indenture has been qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act").

“Statutory Prospectus” means, collectively, (i) the prospectus relating to various securities of the Company, including the Notes, that is included in the Registration Statement at its original effectiveness, (ii) the prospectus supplement relating to the Notes most recently filed by the Company with the SEC pursuant to Rule 424(b) of the 1933 Act Regulations prior to the Company’s acceptance of an offer for the purchase of Notes of a particular tranche, and (iii) any preliminary pricing supplement delivered by the Company to the applicable Agent(s) for conveyance to investors prior to the Company’s acceptance of an offer for the purchase of Notes of a particular tranche and filed by the Company with the SEC pursuant to Rule 424(b), including, in each case, any document incorporated, or deemed to be incorporated, by reference therein.

“Prospectus” means the Statutory Prospectus, excluding any preliminary pricing supplement, and including the final pricing supplement relating to the Notes of a particular tranche in the form first provided to the applicable Agent(s) for conveyance to investors and filed by the Company with the SEC pursuant to Rule 424(b) of the 1933 Act Regulations that discloses any initial public offering price and the other final terms of such Notes and otherwise satisfies Section 10(a) of the 1933 Act.

“Issuer Free Writing Prospectus” means any “issuer free writing prospectus,” as defined in Rule 433 of the 1933 Act Regulations, relating to the Notes of a particular tranche in the form filed, or required to be filed, by the Company with the SEC or, if not required to be filed, in the form retained, or required to be retained, in the Company’s records pursuant to Rule 433(g) of the 1933 Act Regulations.

All references in this Agreement to financial statements and schedules and other information which is “disclosed,” “contained,” “included” or “stated” (or other references of like import) in the Registration Statement, the Statutory Prospectus or the Prospectus shall be deemed to include all such financial statements and schedules and other information which is incorporated by reference in the Registration Statement, the Statutory Prospectus or the Prospectus, as the case may be, prior to the Company’s acceptance of an offer for the purchase of Notes of a particular tranche; and all references in this Agreement to amendments or supplements to the Registration Statement, the Statutory Prospectus or the Prospectus shall be deemed to include the filing of any document under the Securities Exchange Act of 1934, as amended (the “1934 Act”), which is incorporated by reference in the Registration Statement, the Statutory Prospectus or the Prospectus, as the case may be, after the Company’s acceptance of an offer for the purchase of Notes of a particular tranche.

For purposes of this Agreement, all references to the Registration Statement, the General Disclosure Package (as defined below), the Prospectus or to any amendment or supplement to the Registration Statement, the General Disclosure Package or the Prospectus shall be deemed to include any copy filed with the SEC pursuant to its Electronic Data Gathering, Analysis and Retrieval system (“EDGAR”).

Section 1. *Appointment as Agents.*

(a) *Appointment of Agents.* Subject to the terms and conditions stated herein, the Company hereby appoints the Agents as its exclusive agents for the purpose of soliciting

purchases of the Notes from the Company by others. The Company agrees that, except as otherwise contemplated herein, whenever it determines to sell Notes directly to an Agent as principal for resale to others, it will enter into a Terms Agreement (as hereinafter defined) relating to such sale in accordance with the provisions of Section 3(b) hereof. The Agents are not authorized to appoint sub-agents in connection with the offer or sale of the Notes through them as agents. The Company may from time to time by notice to the Agents appoint additional Agents to become parties to this Agreement or any applicable Terms Agreement; *provided*, that each such additional Agent shall agree to become a party to this Agreement or such Terms Agreement, as the case may be; and *provided, further*, that except in the case of the appointment of an additional Agent for the duration of the program contemplated by this Agreement, following the specific issue or issues of Notes in respect of which such additional Agent shall be acting as agent or principal, such additional Agent shall have no further authority, rights, powers, duties or obligations, except such as may have accrued in connection with the specific issue or issues of Notes for which such additional Agent was appointed.

(b) *Reasonable Efforts Solicitations; Right to Reject Offers.* Upon receipt of instructions from the Company, the Agents will use their reasonable efforts to solicit purchases of such principal amount of the Notes as the Company and the Agents shall agree upon from time to time during the term of this Agreement, it being understood that the Company shall not approve the solicitation of purchases of Notes in excess of (i) the amount which shall be authorized by the Company and the Board of Public Utilities of the State of New Jersey (the "BPU") from time to time or (ii) the aggregate principal amount of the First Mortgage Bonds servicing and securing the Notes. The Agents will have no responsibility for maintaining records with respect to the aggregate principal amount of Notes sold or of otherwise monitoring the availability of Notes for sale by the Company. The Agents will communicate to the Company, orally or in writing, each offer to purchase Notes, other than those offers rejected by such Agents. Each Agent shall have the right, in its discretion reasonably exercised, to reject any proposed purchase of Notes, as a whole or in part, and any such rejection shall not be deemed a breach of such Agent's agreement contained herein. The Company may accept or reject any proposed purchase of the Notes, in whole or in part.

(c) *Solicitations as Agents; Purchases as Principal.* In soliciting purchases of the Notes on behalf of the Company and in performing their other obligations hereunder (other than with respect to any purchase by an Agent as principal, pursuant to a Terms Agreement or otherwise), the Agents shall act solely as agents for the Company and not as principal. The Agents shall use their reasonable efforts to assist the Company in obtaining performance by each purchaser whose offer to purchase Notes has been solicited by an Agent and accepted by the Company. The Agents shall not have any liability to the Company in the event any such purchase is not consummated for any reason. If the Company shall default on its obligations to deliver Notes to a purchaser whose offer it has accepted, the Company shall (i) hold the Agents harmless against any loss, claim or damage arising from or as a result of such default by the Company and (ii) notwithstanding such default, pay to the applicable Agent any commission to which it would be entitled in connection with such sale. The Agents shall not have any obligation to purchase Notes from the Company as principal, but an Agent may agree from time to time to purchase Notes as principal. Any such purchase of Notes by an Agent as principal shall be made in accordance with Section 3(b) hereof.

(d) *Reliance.* The Company and the Agents agree that any Notes the placement of which an Agent arranges shall be placed by such Agent, and any Notes purchased by an Agent as principal shall be purchased, in reliance on the representations, warranties, covenants and agreements of the Company contained herein and on the terms and conditions and in the manner provided herein.

Section 2. *Representations and Warranties.*

(a) The Company represents and warrants to each Agent (i) as of the date hereof, (ii) as of the date of each acceptance by the Company of an offer for the purchase of Notes (whether through such Agent as agent or to such Agent as principal), (iii) as of the Applicable Time (as defined below), (iv) as of the date of each delivery of Notes (whether through such Agent as agent or to such Agent as principal) (the date of each such delivery to an Agent as principal being hereinafter referred to as a "Settlement Date"), and (v) as of any time that the Registration Statement, the General Disclosure Package or the Prospectus shall be amended or supplemented or there is filed with the SEC any document incorporated by reference into the Registration Statement, the General Disclosure Package or the Prospectus (each of the dates referred to above being hereinafter referred to as a "Representation Date;" *provided*, that the term "Representation Date" shall not include clause (v) above during any Suspension Period (as defined below)), as follows:

(i) *Due Incorporation and Qualification.* The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of New Jersey with corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package or the Prospectus; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify and be in good standing would not have a material adverse effect on the financial condition, business or properties of the Company and its subsidiaries considered as one enterprise.

(ii) *Subsidiaries.* Each subsidiary of the Company which is a significant subsidiary, as defined in Rule 405 of Regulation C of the 1933 Act Regulations (each, a "Significant Subsidiary"), if any, has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and conduct its business as described in the Registration Statement, the General Disclosure Package or the Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify and be in good standing would not have a material adverse effect on the financial condition, business or properties of the Company and its subsidiaries considered as one enterprise; and all of the issued and outstanding capital stock of each Significant Subsidiary owned by the Company, directly or through subsidiaries, has been duly authorized and validly issued, is fully paid and non-assessable and, except for

directors' qualifying shares, is free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

(iii) *Registration Statement and Prospectus.* Since the time of initial filing of the Registration Statement, the Company has been, and continues to be, a "well known seasoned issuer," as defined in Rule 405 of the 1933 Act Regulations; the Company is and remains eligible to use the automatic shelf registration statement form; at the time the Registration Statement became effective, the Registration Statement and each amendment thereto complied, and as of each Representation Date will comply, in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the 1939 Act and the rules and regulations of the SEC promulgated thereunder; the Notes, since their registration on the Registration Statement, have been and remain eligible for registration by the Company on an automatic shelf registration statement form; the Company has not received from the SEC any notice pursuant to Rule 401(g)(2) of the 1933 Act Regulations objecting to the use of the automatic shelf registration statement form; the Registration Statement, at the time it became effective, did not, and at each time thereafter at which any amendment to the Registration Statement becomes effective or any Annual Report on Form 10-K is filed by the Company with the SEC and as of each Representation Date, will not, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and neither the Prospectus nor any amendment or supplement thereto, as of each Representation Date, includes or will include an untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the representations and warranties in this subsection shall not apply to (A) statements in or omissions from the Registration Statement or the Prospectus made in reliance upon and in conformity with the Agent Information (as defined below) or (B) that part of the Registration Statement which constitutes the Statements of Eligibility of the Indenture Trustee and the Mortgage Trustee on Forms T-1 under the 1939 Act.

(iv) *Eligibility Status.* At the time of original filing of the Registration Statement, at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Notes and at the date of any agreement by an Agent to act as principal or agent in connection with the Notes of a particular tranche, the Company was not, is not and will not be an "ineligible issuer," as defined in Rule 405 of the 1933 Act Regulations.

(v) *General Disclosure Package.* As of the time agreed to by the Company and the applicable Agent(s) at the time of the pricing of the Notes of a particular tranche, which, unless otherwise agreed, shall be the time immediately after the Company and the lead Agent(s) agree on the final terms of such Notes (the "Applicable Time"), the Statutory Prospectus, the Issuer Free Writing Prospectuses, if any, delivered by the Company to the applicable Agent(s) a reasonable amount of time prior to the Applicable Time and the final term sheet relating to the Notes of a particular tranche constituting an Issuer Free Writing Prospectus and a Permitted Free Writing Prospectus under Section 4(n) hereof, when considered together (collectively, the "General Disclosure Package"),

did not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the representations and warranties in this subsection shall not apply to statements in or omissions from any prospectus included in the Statutory Prospectus or any Issuer Free Writing Prospectus made in reliance upon and in conformity with the Agent Information.

(vi) *Issuer Free Writing Prospectuses.* Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the offer and sale of the Notes of the particular tranche or until any earlier date that the Company notified or notifies the applicable Agent(s) as contemplated in Section 4(e) hereof, did not, does not and will not include any information that conflicted, conflicts or will conflict (within the meaning of Rule 433(c) of the 1933 Act Regulations) with the information then contained in the Registration Statement, the General Disclosure Package or the Prospectus.

(vii) *Incorporated Documents.* The documents incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus, at the time they were or hereafter are filed with the SEC, complied or when so filed will comply, as the case may be, in all material respects with the requirements of the 1934 Act and the rules and regulations promulgated thereunder (the “1934 Act Regulations”), and, when read together and with the other information in the Registration Statement, the General Disclosure Package and the Prospectus, as the case may be, did not and will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were or are made, not misleading.

(viii) *Accountants.* The accountants who certified the financial statements included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus are independent public accountants within the meaning of the 1933 Act and the 1933 Act Regulations.

(ix) *Financial Statements.* The financial statements and any financial statement schedules of the Company and its consolidated subsidiaries included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus present fairly the consolidated financial position of the Company and its consolidated subsidiaries as of the dates indicated and the consolidated results of their operations for the periods specified; except as stated therein, said financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis; and the financial statement schedules included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus present fairly the information required to be stated therein. The interactive data in eXtensible Business Reporting Language included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus fairly presents the information called for in all material respects and has been prepared in accordance with the SEC’s rules and guidelines applicable thereto.

(x) *Authorization and Validity of this Agreement, the Indenture and the Notes.* This Agreement has been duly authorized, executed and delivered by the Company; the Indenture has been duly authorized and executed by the Company and, upon due authorization, execution and delivery by the Indenture Trustee, will be a valid and legally binding agreement of the Company enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by general equity principles; the Indenture has been duly qualified under the 1939 Act; the Notes have been duly authorized for issuance and sale pursuant to this Agreement and, when executed by the Company and authenticated and delivered pursuant to the provisions of this Agreement and the Indenture against payment therefor specified in the Prospectus or pursuant to any Terms Agreement, will be valid and legally binding obligations of the Company enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by general equity principles, and will be entitled to the benefit of the Indenture; and the Notes and the Indenture will be substantially in the form heretofore delivered to the Agents and conform in all material respects to all statements relating thereto, contained in the Registration Statement, the General Disclosure Package or the Prospectus.

(xi) *Authorization and Validity of the First Mortgage, Supplemental Indenture and First Mortgage Bonds.* The First Mortgage and the Supplemental Indenture have each been duly authorized and executed by the Company and, upon due authorization, execution and delivery by the Mortgage Trustee of the Supplemental Indenture, each will be a valid instrument legally binding and enforceable upon the Company, except as limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by general equity principles; the First Mortgage Bonds have been duly authorized for issuance and, when executed by the Company and authenticated and delivered pursuant to the provisions of the First Mortgage and the Supplemental Indenture, will be valid and legally binding obligations of the Company enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by general equity principles, and will be entitled to the benefit of the First Mortgage; and the First Mortgage Bonds, the First Mortgage and the Supplemental Indenture will be substantially in the form heretofore delivered to the Agents and conform in all material respects to all statements relating thereto contained in the Registration Statement, the General Disclosure Package or the Prospectus.

(xii) *Security for First Mortgage Bonds.* The First Mortgage constitutes as security for the First Mortgage Bonds a valid lien on all the property and franchises owned by the Company (except cash, accounts and bills receivable and all merchandise bought, sold or manufactured for sale in the ordinary course of the Company's business, stocks, bonds, or other corporate obligations or securities, other than those now or hereafter specifically pledged thereunder, not acquired with the proceeds of bonds secured by the First Mortgage) as described or referred to in the Registration Statement, the General Disclosure Package or the Prospectus, subject to no prior liens or encumbrances other than those specified or referred to or as otherwise set forth in the Registration Statement, the General Disclosure Package and the Prospectus.

(xiii) *Security for Notes.* Assuming that the Indenture Trustee holds the First Mortgage Bonds as provided in the Indenture, the Indenture creates a valid and perfected first priority security interest in the First Mortgage Bonds.

(xiv) *Material Changes or Material Transactions.* Since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package and the Prospectus, except as may otherwise be stated or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus or contemplated by the Registration Statement, the General Disclosure Package and the Prospectus, (A) there has not been any material adverse change in the financial condition, business or properties of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, (B) there have not been any material transactions entered into by the Company and its subsidiaries considered as one enterprise other than those in the ordinary course of business and (C) the Company has not incurred any material contingent obligations.

(xv) *No Defaults.* Neither the Company nor any of its Significant Subsidiaries is in violation of its charter or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any material contract, indenture, mortgage, loan agreement, note, lease or other instrument to which it is a party or by which it or any of them or their properties may be bound; and the execution and delivery of this Agreement, the Indenture and the Supplemental Indenture, and the consummation of the transactions contemplated herein and therein, will not conflict with or constitute a breach of, or default under, or, except as contemplated hereby and thereby, result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its Significant Subsidiaries pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any of its Significant Subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of the Company or any Significant Subsidiary is subject, nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any law, administrative regulation or administrative or court order or decree.

(xvi) *Regulatory Approvals.* The BPU has authorized the issuance of the First Mortgage Bonds and the issuance and sale of the Notes then being so offered or sold; the issuance of the First Mortgage Bonds and issuance and sale of the Notes and the execution and delivery of the Indenture and the Supplemental Indenture are in accordance with the authorization of the BPU; and no other consent, approval, authorization, order or decree of any court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement, the Indenture or the Supplemental Indenture or in connection with the issuance of the Notes or the First Mortgage Bonds, except such as may be required under the 1933 Act, the 1939 Act, the 1933 Act Regulations or state securities laws.

(xvii) *Legal Proceedings.* Except as may be included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus, there is no action, suit or proceeding before or by any court or governmental

agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which, in the opinion of the Company, is reasonably likely to result in any material adverse change in the financial condition, business or properties of the Company and its subsidiaries considered as one enterprise, or might materially and adversely affect the consummation of the transactions contemplated by this Agreement, the Indenture or the Supplemental Indenture.

(xviii) *Environmental Matters.* Except as may be included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus and except as would not, singly or in the aggregate, result in any material adverse change in the financial condition, business or properties of the Company and its subsidiaries considered as one enterprise, (A) neither the Company nor any of its Significant Subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and its Significant Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its Significant Subsidiaries and (D) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its Significant Subsidiaries relating to Hazardous Materials or any Environmental Laws.

(xix) *Cybersecurity.* (i) Except as may be included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus, (x) to the Company's knowledge, there has been no material security breach or other material compromise of or relating to any of the Company's or its subsidiaries' information technology and computer systems, networks, hardware, software, data (including the data of their respective customers, employees, suppliers, vendors and any third party data maintained by or on behalf of them), equipment or technology (collectively, "IT Systems and Data") and (y) the Company and its subsidiaries have not been notified of, and have no knowledge of any event or condition that would reasonably be expected to result in, any material security breach or other material compromise to their IT Systems and Data; (ii) the Company and its subsidiaries are presently in compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or

governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification, except as would not, in the case of this clause (ii), individually or in the aggregate, have a material adverse effect on the financial condition, business or properties of the Company and its subsidiaries considered as one enterprise; and (iii) the Company and its subsidiaries have implemented backup and disaster recovery technology consistent with industry standards and practices.

(xx) *Internal Controls.* The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) the interactive data in eXtensible Business Reporting Language included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus fairly presents the information called for in all material respects and is prepared in accordance with the SEC's rules and guidelines applicable thereto. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (A) no material weakness in such party's internal control over financial reporting (whether or not remediated) and (B) no change in such party's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, such internal control over financial reporting.

(xxi) *Disclosure Controls and Procedures.* The Company employs disclosure controls and procedures that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive officer or officers and principal financial officer or officers, as appropriate, to allow timely decisions regarding disclosure.

(xxii) *No Unlawful Contributions or Other Payments.* Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or

official thereof or any candidate for foreign political office, in contravention of the FCPA, and the Company and each of its subsidiaries and, to the knowledge of the Company, its affiliates have conducted their businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(xxiii) *No Conflict with Money Laundering Laws.* The operations of the Company and each of its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the “Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(xxiv) *Patriot Act.* The Company will apply the net proceeds received from the offering and sale of Notes of a particular tranche as described in the Registration Statement, the General Disclosure Package and the Prospectus and, to the knowledge of the Company, none of such net proceeds will be used to further any action in violation or contravention of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”) or otherwise violate or contravene the rules, regulations or policies of the U.S. Office of Foreign Assets Control (“OFAC”).

(xxv) *OFAC.* Neither the Company nor any of its subsidiaries, nor, to the knowledge of the Company, any director, officer, agent or employee of the Company or any of its subsidiaries is currently the subject of any sanctions administered or enforced by OFAC.

(b) *Additional Certifications.* Any certificate signed by any officer of the Company and delivered to the Agents or to counsel for the Agents in connection with an offering of Notes or the sale of Notes to an Agent as principal shall be deemed a representation and warranty by the Company to the Agents or such Agent, as the case may be, as to the matters covered thereby on the date of such certificate and at each Representation Date subsequent thereto.

Section 3. *Solicitations as Agents; Purchases as Principal.*

(a) *Solicitations as Agents.* On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, the Agents agree, as agents of the Company, to use their reasonable efforts to solicit offers to purchase the Notes upon the terms and conditions set forth herein and in the General Disclosure Package and the Prospectus.

The Company reserves the right, in its sole discretion, to suspend solicitation of purchases of the Notes through the Agents, as agents, commencing at any time for any period of time or permanently. Upon receipt of instructions from the Company, the Agents will promptly

suspend solicitation of purchases from the Company until such time as the Company has advised the Agents that such solicitation may be resumed.

The Company agrees to pay each Agent a commission, in the form of a discount, equal to the applicable percentage of the principal amount of each Note sold by the Company as a result of a solicitation made by such Agent as set forth in Schedule A hereto.

The purchase price, interest rate, maturity date and other terms of the Notes shall be agreed upon by the Company and the applicable Agent and set forth in a final pricing supplement to the Prospectus to be prepared following each acceptance by the Company of an offer for the purchase of Notes of a particular tranche. Except as may be otherwise provided in such supplement to the Prospectus, the Notes will be issued in denominations of U.S. \$2,000 or any integral multiple of U.S. \$1,000 in excess thereof. All Notes sold through the Agents as agents will be sold at 100% of their principal amount unless otherwise agreed to by the Company and the applicable Agent.

(b) *Purchases as Principal.* Each sale of Notes to an Agent as principal shall be made in accordance with the terms contained herein and (unless the Company and such Agent shall otherwise agree) pursuant to a separate agreement which will provide for the sale of such Notes to, and the purchase and reoffering thereof by, such Agent. Each such separate agreement (which may be an oral agreement with written confirmation prepared by such Agent and mailed to the Company) between such Agent and the Company is hereinafter referred to as a "Terms Agreement." Unless the context otherwise requires, each reference contained herein to "this Agreement" shall be deemed to include any applicable Terms Agreement between the Company and such Agent. Each such Terms Agreement shall be with respect to such information (as applicable) as is specified in Exhibit A hereto. The applicable Agent's commitment to purchase Notes as principal pursuant to any Terms Agreement or otherwise shall be deemed to have been made on the basis of the representations and warranties of the Company herein contained and shall be subject to the terms and conditions herein set forth. Each Terms Agreement shall specify the principal amount of Notes to be purchased by the applicable Agent pursuant thereto, the price to be paid to the Company for such Notes (which, if not otherwise specified in such Terms Agreement, shall be at a discount equivalent to the applicable commission set forth in Schedule A hereto), the time and place of delivery of and payment for such Notes, any provisions relating to the rights of and default by purchasers acting together with such Agent in the reoffering of the Notes and such other provisions (including further terms of the Notes) as may be mutually agreed upon. The applicable Agent may utilize a selling or dealer group in connection with the resale of the Notes purchased by it as principal. Such Terms Agreement shall also specify the requirements, if any, for the stand-off agreement, officers' certificate, opinions of counsel and comfort letter pursuant to Sections 4(k), 7(b), 7(c) and 7(d) hereof.

(c) *Administrative Procedures.* Reasonable and customary administrative procedures with respect to the sale of Notes shall be mutually agreed upon from time to time by the Agents and the Company (the "Procedures"). The Agents and the Company agree to perform the respective duties and obligations specifically provided to be performed by them under the Procedures.

Section 4. *Covenants of the Company.*

The Company covenants with each Agent as follows:

(a) *Notice of Certain Events.* The Company will notify the Agents immediately of (i) the effectiveness of any amendment to the Registration Statement, (ii) the transmittal to the SEC for filing of any amendment or supplement to the Statutory Prospectus or the Prospectus or any document to be filed pursuant to the 1934 Act which will be incorporated by reference in the Statutory Prospectus or the Prospectus, (iii) the receipt of any comments from the SEC with respect to the Registration Statement, the Statutory Prospectus or the Prospectus or any amendment or supplement thereto, (iv) any request by the SEC for any amendment to the Registration Statement or any amendment or supplement to the Statutory Prospectus or the Prospectus or for additional information, (v) any notice from the SEC pursuant to Rule 401(g)(2) of the 1933 Act Regulations objecting to the use of the automatic shelf registration statement form and (vi) the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or by any governmental agency or authority preventing or limiting the use of any prospectus relating to the Notes or the threat or actual initiation of any proceedings for that purpose. The Company will make every reasonable effort to prevent the issuance of any such order and, if any such order is issued, to obtain the lifting thereof at the earliest practicable moment.

(b) *Notice of Certain Proposed Filings.* Except as otherwise provided in subsection (1) of this Section, the Company will (i) give the Agents notice of its intention to file or prepare any new or additional registration statement with respect to the Notes or any amendment to the Registration Statement or any amendment or supplement to the General Disclosure Package or the Prospectus (other than an amendment or supplement providing solely for the establishment of the specific terms of any tranche of Notes (except as to the applicable Agent(s) involved in the offer and sale of such Notes) or the filing of any Current Report on Form 8-K relating solely to an earnings statement under Rule 158), whether by the filing of documents pursuant to the 1934 Act, the 1933 Act or otherwise, (ii) furnish the Agents with copies of any such amendment or supplement or other documents proposed to be filed or prepared a reasonable time in advance of such proposed filing or preparation, as the case may be, and will not file any such amendment or supplement or other documents in a form to which the Agents or counsel to the Agents shall reasonably object and (iii) give the Agents notice of the initiation of any examination pursuant to Section 8(e) of the 1933 Act relating to the Registration Statement or any new or additional registration statement relating to the Notes or the Company becoming subject to a proceeding under Section 8A of the 1933 Act in connection with the Notes. The Company shall pay the required SEC filing fees relating to the Notes within the time required by Rule 456(b)(1)(i) of the 1933 Act Regulations without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) of the 1933 Regulations (including, if applicable, by updating the "Calculation of Registration Fee" table in accordance with Rule 456(b)(1)(ii) either in a post-effective amendment to the Registration Statement or on the cover page of a prospectus filed pursuant to Rule 424(b)).

(c) *Copies of the Registration Statement, the Statutory Prospectus and the Prospectus.* To the extent not otherwise available on EDGAR, the Company will deliver to each Agent one certified copy of the Registration Statement (as originally filed electronically) and of

each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated by reference therein). The Company will furnish to the Agents as many copies of the Statutory Prospectus and the Prospectus (as amended or supplemented) as the Agents shall reasonably request in connection with sales or solicitations of offers to purchase the Notes.

(d) *Rule 424 Filings.* The Company will promptly effect all filings necessary pursuant to Rule 424(b) of the 1933 Act Regulations, in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8)) and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the SEC and, in the event that it was not, it will promptly file such prospectus.

(e) *Revisions of Prospectus — Material Changes.* Except as otherwise provided in subsection (1) of this Section, if at any time during the term of this Agreement any event shall occur or condition exist as a result of which it is necessary, in the reasonable opinion of counsel for the Agents or counsel for the Company, to further amend or supplement the Registration Statement, the General Disclosure Package or the Prospectus in order that the same will not include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading (except in the case of the General Disclosure Package and the Prospectus, in the light of the circumstances existing at the Applicable Time or the time the Prospectus is delivered (or but for the exemption in Rule 172 of the 1933 Act Regulations would be required to be delivered) to a purchaser), or if it shall be necessary, in the reasonable opinion of either such counsel, to amend or supplement the Registration Statement, the Statutory Prospectus or the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, then immediate notice shall be given, and confirmed in writing, to the Agents to cease the solicitation of offers to purchase the Notes in their capacity as agents of the Company and to cease sales of any Notes an Agent may then own as principal pursuant to a Terms Agreement or otherwise, and the Company will promptly prepare and file with the SEC such amendment or supplement, whether by filing documents pursuant to the 1934 Act, the 1933 Act or otherwise, as may be necessary to correct such untrue statement or omission or to make the Registration Statement, the Statutory Prospectus and the Prospectus comply with such requirements, as the case may be. If, prior to the completion of the offer and sale of the Notes of the particular tranche, at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted, conflicts or would conflict with the information then contained in the Registration Statement, the General Disclosure Package or the Prospectus or included, includes or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, the Company will promptly notify the applicable Agent(s) and amend or supplement such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission.

(f) *Prospectus Revisions — Periodic Financial Information.* Except as otherwise provided in subsection (1) of this Section, no later than the date on which there shall be released to the general public interim financial statement information related to the Company with respect to each of the first three quarters of any fiscal year or preliminary financial statement information

with respect to any fiscal year, the Company shall furnish such information to the Agents and, if such financial statement information is material, shall cause the Registration Statement, the General Disclosure Package and the Prospectus to be amended or supplemented to include or incorporate by reference such financial statement information and corresponding information for the comparable period of the preceding fiscal year, as well as such other information and explanations as shall be necessary for an understanding thereof or as shall be required by the 1933 Act or the 1933 Act Regulations.

(g) *Prospectus Revisions — Audited Financial Information.* Except as otherwise provided in subsection (1) of this Section, no later than the date on which there shall be released to the general public financial information included in or derived from the audited financial statements of the Company for the preceding fiscal year, the Company shall cause the Registration Statement, the General Disclosure Package and the Prospectus to be amended or supplemented, whether by the filing of documents pursuant to the 1934 Act, the 1933 Act or otherwise, to include or incorporate by reference such audited financial statements and the report or reports, and consent or consents to such inclusion or incorporation by reference, of the independent accountants with respect thereto, as well as such other information and explanations as shall be necessary for an understanding of such financial statements or as shall be required by the 1933 Act or the 1933 Act Regulations.

(h) *Earnings Statements.* The Company will make generally available to its security holders as soon as practicable, but not later than 60 days after the close of the period covered thereby, an earnings statement (in form complying with the provisions of Rule 158 under the 1933 Act) covering each twelve month period beginning, in each case, not later than the first day of the Company's fiscal quarter next following the "effective date" (as defined in such Rule 158) of the Registration Statement with respect to each sale of Notes; *provided*, that the Company will be deemed to have furnished such statement to its security holders to the extent it is filed on EDGAR.

(i) *Blue Sky Qualifications.* The Company will endeavor, in cooperation with the Agents, to qualify the Notes for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Agents may request, and will maintain such qualifications in effect for as long as may be required for the distribution of the Notes; *provided, however*, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified. The Company will file such statements and reports as may be required by the laws of each jurisdiction in which the Notes have been qualified as above provided. The Company will promptly advise the Agents of the receipt by the Company of any notification with respect to the suspension of the qualification of the Notes for sale in any such state or jurisdiction or the initiating or threatening of any proceeding for such purpose.

(j) *1934 Act Filings.* The Company, during the period when a prospectus is required to be delivered (or but for the exemption in Rule 172 of the 1933 Act Regulations would have been required to be delivered) under the 1933 Act, will file promptly all documents required to be filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the 1934 Act.

(k) *Stand-Off Agreement.* If required pursuant to the terms of a Terms Agreement, between the time such Terms Agreement is executed and the Settlement Date with respect to such Terms Agreement, the Company will not, without the applicable Agent's prior written consent, offer or sell, or enter into any agreement to sell, any debt securities of the Company (other than the Notes that are to be sold pursuant to such Terms Agreement and commercial paper in the ordinary course of business).

(l) *Suspension of Certain Obligations.* The Company shall not be required to comply with the provisions of subsections (b), (e), (f) or (g) of this Section during any period from the time the Agents shall have suspended solicitation of purchases of the Notes in their capacity as agents pursuant to a request from the Company to the time the Company shall determine that solicitation of purchases of the Notes should be resumed or shall subsequently enter into a new Terms Agreement with an Agent (such period being referred to herein as a "Suspension Period"); *provided, however,* that a Suspension Period shall not be in effect and the Company shall remain obligated to comply with the provisions of subsections (b), (e), (f) and (g) of this Section with respect to any Agent that shall then hold any Notes as principal, purchased pursuant to a Terms Agreement or otherwise, for a period of 30 days (or in the case of Section 4(e), six months) after such Agent's purchase of Notes as principal.

(m) *Renewal Deadline.* If, immediately prior to the third anniversary of the original effective date of the Registration Statement, any Notes that the Company has sold, or has agreed to offer and sell, remain unsold by the applicable Agent(s), the Company will, prior to that third anniversary, file, if it has not already done so, a new shelf registration statement relating to such Notes, will use its best efforts to cause such registration statement to be declared effective within 180 days after that third anniversary (if such registration statement is not an automatic shelf registration statement), and will take all other action necessary or appropriate to permit the public offering and sale of such Notes to continue as contemplated in the expired Registration Statement relating to such Notes. References herein to the "Registration Statement" shall include such new shelf registration statement.

(n) *Final Term Sheet.* The Company represents and agrees that, unless it obtains the prior consent of the applicable Agent(s), and each applicable Agent represents and agrees that, unless it obtains the prior consent of the Company and, in the case of a principal transaction, the applicable lead Agent, it has not made and will not make any offer relating to the Notes of the particular tranche that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus," as defined in Rule 405 of the 1933 Act Regulations, required to be filed with the SEC. Any such free writing prospectus consented to in writing by the Company and the lead Agent is referred to herein as a "Permitted Free Writing Prospectus." The Company represents that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433 of the 1933 Act Regulations, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely SEC filing where required, legending and record keeping.

Subject to the consent of the lead Agent required in the immediately preceding paragraph, the Company will prepare a final term sheet relating to the final terms of the Notes of each particular tranche and their offering and will file such final term sheet within the period required

by Rule 433(d)(5)(ii) of the 1933 Act Regulations following the date such final terms have been established for such Notes. Any such final term sheet is, and shall be deemed to be, an Issuer Free Writing Prospectus and a Permitted Free Writing Prospectus. Notwithstanding anything to the contrary contained herein, the Company consents to the use by any Agent of a free writing prospectus that contains only (a) (i) information describing the preliminary terms of the Notes generally or the Notes of any particular tranche specifically or their offering, (ii) information meeting the requirements of Rule 134 of the 1933 Act Regulations or (iii) information that describes the final terms of the Notes of any particular tranche or their offering and that is or is to be included in the final term sheet of the Company contemplated in the first sentence of this paragraph or (b) other customary information that is neither "issuer information," as defined in Rule 433, or otherwise an Issuer Free Writing Prospectus.

Section 5. *Conditions of Obligations.*

The obligations of the Agents to solicit offers to purchase the Notes as agents of the Company, the obligations of any purchasers of the Notes sold through an Agent as agent, and any obligation of the Agents to purchase Notes pursuant to a Terms Agreement or otherwise will be subject to the accuracy on each Representation Date of the representations and warranties on the part of the Company herein, to the accuracy of the statements of the Company's officers made in any certificate furnished pursuant to the provisions hereof, to the performance and observance by the Company of all its covenants and agreements herein contained and to the following additional conditions precedent:

(a) *Legal Opinions.* On the date hereof, the Agents shall have received the following legal opinions, dated as of the date hereof and in form and substance satisfactory to the Agents:

(1) *Opinion of Company Counsel.* The opinion of Tamara L. Linde, Esq., the Executive Vice President and General Counsel of the Company, or Shawn P. Leyden, Esq., Vice President and Deputy General Counsel of PSEG Services Corporation, to the effect that:

- (i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of New Jersey and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus.
- (ii) To the best of such counsel's knowledge, the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify and be in good standing would not have a material adverse effect on the financial condition, business or properties of the Company and its subsidiaries considered as one enterprise.

- (iii) The Company is a subsidiary of Public Service Enterprise Group Incorporated, which is a public utility holding company under the Public Utility Holding Company Act of 2005 (“PUHCA 2005”). Public Service Enterprise Group Incorporated has obtained a waiver from the Federal Energy Regulatory Commission of the accounting, record retention and reporting requirements under PUHCA 2005.
- (iv) Each Significant Subsidiary, if any, of the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus, and, to the best of such counsel’s knowledge, is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify and be in good standing would not have a material adverse effect on the financial condition, business or properties of the Company and its subsidiaries considered as one enterprise; and all of the issued and outstanding capital stock of each Significant Subsidiary owned by the Company, directly or through subsidiaries, has been duly authorized and validly issued, is fully paid and non-assessable and, except for directors’ qualifying shares, is free and clear of any mortgage, pledge, lien, encumbrance, claim or equity.
- (v) This Agreement has been duly authorized, executed and delivered by the Company.
- (vi) The Indenture has been duly authorized, executed and delivered by the Company and (assuming the Indenture has been duly authorized, executed and delivered by the Indenture Trustee) constitutes a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors’ rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).
- (vii) The Notes have been duly authorized for issuance and sale pursuant to this Agreement and, when duly executed by the Company and delivered pursuant to the provisions of this Agreement and the

Indenture against the requisite payment therefor (assuming the due authentication thereof by the Indenture Trustee), will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity); the statements in the Registration Statement, the General Disclosure Package and the Prospectus, in each case insofar as such statements constitute summaries of the Indenture and the Notes fairly summarize the matters referred to therein in all material respects; and the registered holders of the Notes will be entitled to the benefit of the Indenture.

- (viii) The First Mortgage (including the Supplemental Indenture) has been duly authorized, executed and delivered by the Company and (assuming the First Mortgage (including the Supplemental Indenture) has been duly authorized, executed and delivered by the Mortgage Trustee) constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).
- (ix) The First Mortgage Bonds have been duly authorized for issuance and, when duly executed by the Company and delivered by the Company pursuant to the provisions of the First Mortgage (assuming the due authentication thereof by the Mortgage Trustee), will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity); the statements in the Registration Statement, the General Disclosure Package and the Prospectus, including under the caption "Description of the Mortgage Bonds—Lien and Security," in each case insofar as such statements

constitute summaries of the First Mortgage Bonds, the First Mortgage and the legal matters, documents or proceedings referred to therein, fairly summarize the matters referred to therein in all material respects.

- (x) The First Mortgage (including the Supplemental Indenture) has been duly recorded, or lodged for record, as a mortgage upon the property covered thereby in such manner as is necessary to maintain the lien thereof.
- (xi) The First Mortgage constitutes as security for the First Mortgage Bonds a valid lien on all the property and franchises owned by the Company (except cash, accounts and bills receivable and all merchandise bought, sold or manufactured for sale in the ordinary course of the Company's business, stocks, bonds, or other corporate obligations or securities, other than those now or hereafter specifically pledged thereunder, not acquired with the proceeds of bonds secured by the First Mortgage) as described or referred to in the Registration Statement, the General Disclosure Package and the Prospectus, subject to no prior liens or encumbrances other than those specified or referred to or as otherwise set forth in the Registration Statement, the General Disclosure Package and the Prospectus.
- (xii) Assuming that the Indenture Trustee holds the First Mortgage Bonds in the State of New Jersey, and as provided in the Indenture, the Indenture creates a valid and perfected first priority security interest in the First Mortgage Bonds.
- (xiii) The statements in (1) the Company's most recent Annual Report on Form 10-K under the captions (A) Part I, Item 1. Business – Regulatory Issues, (B) Part I, Item 1. Business – Environmental Matters, (C) Part I, Item 3. Legal Proceedings and (2) the Company's subsequently filed Quarterly Reports on Form 10-Q under the captions (A) Part II, Item 1. Legal Proceedings and (B) Part II, Item 5. Other Information, in each case including the information incorporated by reference in such section and insofar as such statements constitute summaries of the legal matters, documents or proceedings referred to therein, fairly summarize the matters referred to therein in all material respects.
- (xiv) The Indenture has been duly qualified under the 1939 Act.
- (xv) The Registration Statement is effective under the 1933 Act and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement or the use of any prospectus relating to the Notes has been issued under the 1933

Act or proceedings therefor initiated or threatened by the SEC or any other governmental agency or authority.

- (xvi) The Registration Statement (except for the financial statements and the related notes thereto, the financial statement schedules or the financial or accounting data incorporated by reference therein or Exhibits 25.1, 25.2 or 25.3 thereto, as to which such counsel expresses no opinion), as of its most recent effective date, and the Prospectus (except for the financial statements and the related notes thereto, the financial statement schedules or the financial or accounting data incorporated by reference therein, as to which such counsel expresses no opinion), as of the date hereof, or (if such opinion is being delivered in connection with a Terms Agreement pursuant to Section 7(c) hereof) as of the date of such Terms Agreement, appeared on their face to be appropriately responsive, in all material respects relevant to the offering of the Notes, to the applicable requirements of the 1933 Act.
- (xvii) Each document filed pursuant to the 1934 Act and incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus appeared on its face, at the time it was filed, to be appropriately responsive in all material respects with the applicable requirements of the 1934 Act.
- (xviii) To the best of such counsel's knowledge, neither the Company nor any of its Significant Subsidiaries is in violation of its charter or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any material contract, indenture, mortgage, loan agreement, note or lease to which it is a party or by which it or any of them or their properties may be bound; and the execution and delivery of this Agreement, the Indenture and the Supplemental Indenture, and the consummation by the Company of the transactions contemplated hereby and thereby, will not conflict with, violate or constitute a breach of, or default under, or, except as contemplated hereby and thereby, result in the creation or imposition of (A) any lien, charge or encumbrance upon any property or assets of the Company or any of its Significant Subsidiaries pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument known to such counsel and to which the Company or any Significant Subsidiary is a party or by which it or any of them may be bound or to which any of the property or assets of the Company or any Significant Subsidiary is subject, (B) any law, administrative regulation or administrative or court decree known to such counsel to be applicable to the Company of any court or governmental agency, authority or body or any arbitrator having jurisdiction over the Company (other than federal and state

securities or blue sky laws, as to which such counsel expresses no opinion in this paragraph), or (C) the charter or by-laws of the Company.

- (xix) The franchises of the Company are sufficient authority for it to carry on its business as described in the Registration Statement, the General Disclosure Package and the Prospectus.
- (xx) The BPU has authorized the issuance of the First Mortgage Bonds and the issuance and sale of the Notes, in each case for the period specified therein; the issuance of the First Mortgage Bonds is, the execution and delivery of the Indenture and the Supplemental Indenture are, and the issuance and sale of the Notes pursuant to the Indenture will be, in accordance with the authorization of the BPU; and no other consent, approval, authorization, order or decree of any court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement, the Indenture and the Supplemental Indenture, except such as may be required under the 1933 Act, the 1939 Act or state securities laws.

In giving such opinion, counsel of the Company may rely as to all matters of Pennsylvania law and legal conclusions based thereon upon the opinion of Ballard Spahr LLP of Philadelphia, Pennsylvania. As to matters set forth in subparagraphs (x) and (xi) above, the opinion of counsel of the Company may be based in part on title insurance policies and reports and searches obtained from companies engaged in the business of insuring title to real estate in New Jersey, and the opinion of Ballard Spahr LLP may be based in part on title insurance policies and reports and searches obtained from a company engaged in the business of insuring title to real estate in Pennsylvania, and on certificates or opinions of local counsel deemed by them to be reliable and competent.

(2) *Opinion of Counsel to the Agents.* The opinion of Sidley Austin LLP, counsel to the Agents, covering the matters referred to in subparagraph (1) under the subheadings (v) to (viii), inclusive (except as to the validity, binding effect and enforceability of the instrument or obligations specified therein under New Jersey law), (ix) (except that no opinion need be expressed with respect to the provisions of the First Mortgage summarized under “Description of the Mortgage Bonds—Lien and Security” and except as to the validity, binding effect and enforceability of the agreement or obligations specified therein under New Jersey law)), and (xiv) to (xvi), inclusive, above.

(3) *Disclosure Statement.* In giving their opinions required by subsection (a)(1) and (a)(2) of this Section, Tamara L. Linde, Esq. or Shawn P. Leyden, Esq., as the case may be, and Sidley Austin LLP shall each additionally state that on the basis of a general review and discussion with certain officers and employees of the Company, but without independent check or verification, except as indicated, nothing has come to their attention that has caused them to believe that (A) the Registration Statement, at the time it became effective or, if an amendment to the Registration Statement or an Annual Report

on Form 10-K has been filed by the Company with the SEC subsequent to the effectiveness of the Registration Statement, then at the time such amendment became effective or at the time of the most recent such filing, as the case may be, at the date hereof or (if such opinion is being delivered in connection with a Terms Agreement pursuant to Section 7(c) hereof) at the date of such Terms Agreement or at the time of any "new effective date" within the meaning of Rule 430(B)(f)(2) of the 1933 Act Regulations, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (B) the Prospectus, as amended or supplemented, at the date hereof, or (if such opinion is being delivered in connection with a Terms Agreement pursuant to Section 7(c) hereof) at the date of such Terms Agreement or at the Settlement Date with respect thereto, as the case may be, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (C) (if such opinion is being delivered in connection with a Terms Agreement pursuant to Section 7(c) hereof) the General Disclosure Package, as of the Applicable Time, included any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) *Officers' Certificate.* On the date hereof, the Agents shall have received a certificate of the President or Vice President and the chief financial or chief accounting officer of the Company, dated as of the date hereof, to the effect that (i) since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus or since the date of any applicable Terms Agreement, there has not been any material adverse change in the financial condition, business or properties of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, except as may otherwise be stated or incorporated by reference or contemplated by the Registration Statement, the General Disclosure Package and the Prospectus, (ii) the representations and warranties of the Company contained herein are true and correct with the same force and effect as though expressly made at and as of the date of such certificate, (iii) the Company has performed or complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the date of such certificate, and (iv) no stop order suspending the effectiveness of the Registration Statement or the use of any prospectus relating to the Notes has been issued and no proceedings for that purpose have been initiated or, to the knowledge of the Company, have been threatened by the SEC or any other governmental agency or authority.

(c) *Comfort Letter.* On the date hereof, the Agents shall have received a letter from Deloitte & Touche LLP, dated as of the date hereof and in form and substance satisfactory to the Agents, with respect to the audited and unaudited financial statements and certain financial information contained or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus.

(d) *Other Documents.* On the date hereof and on each Settlement Date with respect to any applicable Terms Agreement, counsel to the Agents shall have been furnished with such documents and opinions as such counsel may reasonably require for the purpose of enabling such

counsel to pass upon the issuance and sale of Notes as herein contemplated and related proceedings, or in order to evidence the accuracy and completeness of any of the representations and warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of Notes as herein contemplated shall be satisfactory in form and substance to the Agents and to counsel to the Agents.

If any condition specified in this Section 5 shall not have been fulfilled when and as required to be fulfilled, this Agreement (or, at the option of the applicable Agent(s), any applicable Terms Agreement) may be terminated by the Agents (or such Agent(s)) by notice to the Company at any time and any such termination shall be without liability of any party to any other party, except that the covenant regarding provision of an earnings statement set forth in Section 4(h) hereof, the provisions concerning payment of expenses under Section 10 hereof, the indemnity and contribution agreement set forth in Sections 8 and 9 hereof, the provisions concerning the representations, warranties and agreements to survive delivery of Section 11 hereof, the provisions concerning governing law set forth in Section 14 hereof and the provisions set forth under Section 15 hereof.

Section 6. *Delivery of and Payment for Notes Sold through the Agents.*

Delivery of Notes sold through the Agents as agents of the Company shall be made by the Company to the Agents for the account of any purchaser only against payment therefor in immediately available funds. In the event that a purchaser shall fail either to accept delivery of or to make payment for a Note on the date fixed for settlement, the applicable Agent shall promptly notify the Company and deliver the Note to the Company, and, if such Agent has theretofore paid the Company for such Note, the Company will promptly return such funds to such Agent. If such failure occurred for any reason other than default by such Agent in the performance of its obligations hereunder, the Company will reimburse such Agent on an equitable basis for its loss of the use of the funds for the period such funds were credited to the Company's account.

Section 7. *Additional Covenants of the Company.*

The Company covenants and agrees with each Agent that:

(a) *Reaffirmation of Representations and Warranties.* Each acceptance by it of an offer for the purchase of Notes, and each delivery of Notes to an Agent as principal pursuant to a Terms Agreement or otherwise, shall be deemed to be an affirmation that the representations and warranties of the Company contained in this Agreement and in any certificate theretofore delivered to the Agents pursuant hereto are true and correct at the time of such acceptance or sale, as the case may be, and an undertaking that such representations and warranties will be true and correct at the time of delivery to the purchaser or its agent, or to such Agents, of the Notes or Notes relating to such acceptance or sale, as the case may be, as though made at and as of each such time (and it is understood that such representations and warranties shall relate to the Registration Statement, the General Disclosure Package and the Prospectus as amended and supplemented to each such time).

(b) *Subsequent Delivery of Certificates.* Each time that (i) the Registration Statement, the General Disclosure Package or the Prospectus shall be amended or supplemented (other than by an amendment or supplement providing solely for the establishment of the specific terms of any tranche of Notes), (ii) there is filed with the SEC any document incorporated by reference into the Registration Statement, the General Disclosure Package or the Prospectus (other than the filing of any Current Report on Form 8-K relating solely to an earnings statement under Rule 158), (iii) (if required pursuant to the terms of a Terms Agreement) the Company sells Notes to an Agent pursuant to a Terms Agreement, or (iv) the BPU shall authorize the issuance of First Mortgage Bonds and the issuance and sale of Notes beyond the date of its previous authorization, then the Company shall furnish or cause to be furnished to the Agents or such Agent, as the case may be, forthwith a certificate dated the date of filing with the SEC of such supplement or document, the date of effectiveness of such amendment, the date of such sale, or the soonest practicable date following such authorization, as the case may be, in form satisfactory to the Agents or such Agent, as the case may be, to the effect that the statements contained in the certificate referred to in Section 5(b) hereof which were last furnished to the Agents are true and correct at the time of such amendment, supplement, filing, sale or authorization, as the case may be, as though made at and as of such time (except that such statements shall be deemed to relate to the Registration Statement, the General Disclosure Package and the Prospectus as amended and supplemented to such time and to the most recent authorization of the BPU, as the case may be) or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in said Section 5(b), modified as necessary to relate to the Registration Statement, the General Disclosure Package and the Prospectus as amended and supplemented to the time of delivery of such certificate and to the most recent authorization of the BPU; *provided, however*, that the Company shall not be required (except in the case of clause (iii) above) to deliver such certificate during any Suspension Period.

(c) *Subsequent Delivery of Legal Opinions.* Each time that (i) the Registration Statement, the General Disclosure Package or the Prospectus shall be amended or supplemented (other than by an amendment or supplement providing solely for the establishment of the specific terms of any tranche of Notes or solely for the inclusion of additional financial information), (ii) there is filed with the SEC any document incorporated by reference into the Registration Statement, the General Disclosure Package or the Prospectus (other than any Current Report on Form 8-K, unless the Agents shall otherwise specify), (iii) (if required pursuant to the terms of a Terms Agreement) the Company sells Notes to an Agent pursuant to a Terms Agreement, or (iv) the BPU shall authorize the issuance of First Mortgage Bonds and issuance and sale of Notes beyond the date of its previous authorization, then the Company shall furnish or cause to be furnished forthwith to the Agents or such Agent, as the case may be, a written opinion of the counsel for the Company referred to in Section 5(a)(1) hereof, or other counsel satisfactory to the Agents, dated the date of filing with the SEC of such supplement or document, the date of effectiveness of such amendment, the date of such sale, or the soonest practicable date following such authorization, as the case may be, in form and substance satisfactory to the Agents or such Agent, as the case may be, of the same tenor as the opinion referred to in Section 5(a)(1) and Section 5(a)(3) hereof, but modified, as necessary, to relate to the Registration Statement, the General Disclosure Package and the Prospectus as amended and supplemented to the time of delivery of such opinion and to the most recent authorization of the BPU; or, in lieu of such opinion, counsel last furnishing the opinion to the Agents shall furnish the Agents or such Agent, as the case may be, with a letter to the effect that the Agents or such Agent, as the case may be,

may rely on such last opinion to the same extent as though it was dated the date of such letter authorizing reliance (except that statements in such last opinion shall be deemed to relate to the Registration Statement, the General Disclosure Package and the Prospectus as amended and supplemented to the time of delivery of such letter authorizing reliance and to the most recent authorization of the BPU); *provided, however*, that such counsel shall not be required to include in such opinion the matters set forth in clauses (x) and (xi) of said Section 5(a)(1) if the Company, in compliance with subsection (2) of Section 18 of Article Five of the First Mortgage, has delivered an opinion of counsel covering such matters and the Agents are entitled to rely thereon; *provided, further*, that the Company shall not be required (except in the case of clause (iii) above) to cause the delivery of such opinion during any Suspension Period.

(d) *Subsequent Delivery of Comfort Letters.* Each time that (i) the Registration Statement, the General Disclosure Package or the Prospectus shall be amended or supplemented to include additional financial information, (ii) there is filed with the SEC any document incorporated by reference into the Registration Statement, the General Disclosure Package or the Prospectus which contains additional financial information (other than the filing of any Current Report on Form 8-K relating solely to an earnings statement under Rule 158), or (iii) (if required pursuant to the terms of a Terms Agreement) the Company sells Notes to an Agent pursuant to a Terms Agreement, then the Company shall cause Deloitte & Touche LLP forthwith to furnish the Agents or such Agent, as the case may be, with a letter, dated the date of effectiveness of such amendment, supplement or document with the SEC, or the date of such sale, as the case may be, in form satisfactory to the Agents or such Agent, as the case may be, of the same tenor as the letter referred to in Section 5(c) hereof but modified to relate to the Registration Statement, the General Disclosure Package and the Prospectus, as amended and supplemented to the date of such letter and with such changes as may be necessary to reflect changes in the financial statements and other information derived from the accounting records of the Company; *provided, however*, that if the Registration Statement, the General Disclosure Package or the Prospectus is amended or supplemented solely to include financial information as of and for a fiscal quarter, Deloitte & Touche LLP may limit the scope of such letter to the unaudited financial statements included in such amendment or supplement unless any other information included therein of an accounting, financial or statistical nature is of such a nature that, in the reasonable judgment of the Agents or such Agent, as the case may be, such letter should cover such other information; *provided, however*, that the Company shall not be required (except in the case of clause (iii) above) to cause the delivery of such letter during any Suspension Period.

Section 8. *Indemnification.*

(a) *Indemnification of the Agents.* The Company agrees to indemnify and hold harmless each Agent and each person, if any, who controls such Agent within the meaning of Section 15 of the 1933 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included in a preliminary prospectus, each Statutory Prospectus, the

Prospectus, any Issuer Free Writing Prospectus or the General Disclosure Package (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such untrue statement or omission or such alleged untrue statement or omission was made in the Statements of Eligibility of the Indenture Trustee and the Mortgage Trustee on Forms T-1 under the 1939 Act or in reliance upon and in conformity with the Agent Information;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of one firm of counsel (in addition to any local counsel) chosen by such Agent), reasonably incurred in investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above.

(b) *Indemnification of Company.* Each Agent severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto) or the Statutory Prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Agent expressly for use in the Registration Statement (or any amendment thereto) or the Statutory Prospectus or the Prospectus (or any amendment or supplement thereto). The Company and the Agents hereby acknowledge and agree that the only written information furnished to the Company jointly by the Agents expressly for use in the Registration Statement (or any amendment thereto) or the Statutory Prospectus or the Prospectus (or any amendment or supplement thereto) are the statements set forth in the (i) second, third and fourth sentences of the second paragraph, (ii) third and fourth sentences of the fifth paragraph, (iii) first and third sentences of the sixth paragraph and (iv) first sentence of the seventh paragraph, in each case under the caption "Plan of Distribution" in the Registration Statement, the Statutory Prospectus and the Prospectus (collectively, the "Agent Information").

(c) *General.* In no case shall an indemnifying party be liable under this indemnity agreement with respect to any claim made against an indemnified party unless such indemnifying party shall be notified in writing of the nature of the claim within a reasonable time after the assertion thereof, but failure so to notify such indemnifying party shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement.

The Company shall be entitled to participate at its own expense in the defense, or, if it so elects within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim against one or more Agents, but if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Agent or Agents or controlling person or persons, defendant or defendants in any suit so brought, which approval shall not be unreasonably withheld. In the event that the Company elects to assume the defense of any such suit and retains such counsel, the Agent or Agents or controlling person or persons, defendant or defendants in the suit shall bear the fees and expenses of any additional counsel thereafter retained by them. Notwithstanding the foregoing, in the event that the parties to any such action (including impleaded parties) include both the Company and one or more Agents and any such Agent shall have been advised by counsel chosen by it and satisfactory to the Company that there may be one or more legal defenses available to it which are different from or additional to those available to the Company, the Company shall not have the right to assume the defense of such action on behalf of such Agent and will reimburse such Agent and any person controlling such as aforesaid for the reasonable fees and expenses of any counsel retained by them, it being understood that the Company shall not, in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for such Agent (in addition to any local counsel). The Company agrees to notify the Agents within a reasonable time of the assertion of any claim against it, any of its directors, any of its officers who signed the Registration Statement, or any person who controls the Company within the meaning of Section 15 of the 1933 Act.

Section 9. *Contribution.*

If the indemnification provided for in Section 8 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the applicable Agent(s), on the other hand, from the offering of the Notes that were the subject of the claim for indemnification or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the applicable Agent(s), on the other hand, in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company, on the one hand, and the applicable Agent(s), on the other hand, in connection with the offering of the Notes that were the subject of the claim for indemnification shall be deemed to be in the same respective proportions as the total net proceeds from the offering of such Notes (before deducting expenses) received by the Company and the total discount or commission received by each applicable Agent, as the case may be, bears to the aggregate initial offering price of such Notes.

The relative fault of the Company, on the one hand, and the applicable Agent(s), on the other hand, shall be determined by reference to, among other things, whether any untrue or

alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the applicable Agent(s) and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Agents agree that it would not be just and equitable if contribution pursuant to this Section 9 were determined by pro rata allocation (even if the applicable Agent(s) were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 9. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 9 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any applicable untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 9, (i) no Agent shall be required to contribute any amount in excess of the amount by which the total discount or commission received by such Agent in connection with the offering of the Notes that were the subject of the claim for indemnification exceeds the amount of any damages which such Agent has otherwise been required to pay by reason of any applicable untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. In addition, in connection with an offering of Notes purchased from the Company by two or more Agents as principal, the respective obligations of such Agents to contribute pursuant to this Section 9 are several, and not joint, in proportion to the aggregate principal amount of Notes that each such Agent has agreed to purchase from the Company.

For purposes of this Section 9, each person, if any, who controls an Agent within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Agent, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company.

Section 10. *Payment of Expenses.*

The Company will pay all expenses incident to the performance of its obligations under this Agreement, including:

- (i) The preparation and filing of the Registration Statement, the Statutory Prospectus, each Issuer Free Writing Prospectus and the Prospectus and any amendments or supplements thereto;
- (ii) The preparation, filing and reproduction of this Agreement and any applicable Terms Agreement;

(iii) The preparation, printing, issuance and delivery of the Notes, including any fees and expenses relating to the use of book-entry Notes, and the First Mortgage Bonds;

(iv) The fees and disbursements of the Company's accountants and counsel, the Indenture Trustee and its counsel, and the Mortgage Trustee and its counsel;

(v) The reasonable fees and disbursements of counsel to the Agents incurred in connection with the establishment of the program relating to the Notes and those incurred from time to time in connection with the transactions contemplated hereby;

(vi) The qualification of the Notes under state securities laws in accordance with the provisions of Section 4(i) hereof including filing fees and the fees (up to \$7,000 in the aggregate) and disbursements of counsel for the Agents in connection therewith and in connection with the preparation of any Blue Sky Survey and any Legal Investment Survey;

(vii) The printing and delivery to the Agents in quantities as hereinabove stated of copies of the Registration Statement, the Statutory Prospectus, each Issuer Free Writing Prospectus and the Prospectus and any amendments or supplements thereto, and the delivery by the Agents of the General Disclosure Package and the Prospectus and any amendments or supplements thereto in connection with solicitations or confirmations of sales of the Notes;

(viii) The preparation, printing, reproduction, and delivery to the Agents of copies of the Indenture and the Supplemental Indenture;

(ix) Any fees charged by nationally recognized securities rating agencies selected by the Company for the rating of the Notes;

(x) The fees and expenses, if any, incurred with respect to any filing with the Financial Industry Regulatory Authority;

(xi) Any advertising and other out-of-pocket expenses of the Agents incurred with the approval of the Company;

(xii) The cost of providing any CUSIP or other identification numbers for the Notes; and

(xiii) The fees and expenses of any Depository and any nominees thereof in connection with the Notes.

Section 11. *Representations, Warranties and Agreements to Survive Delivery.*

All representations, warranties and agreements contained in this Agreement, or contained in certificates of officers of the Company submitted pursuant hereto or thereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the

Agents or any controlling person of any Agent, or by or on behalf of the Company, and shall survive each delivery of and payment for any of the Notes.

Section 12. *Termination.*

(a) *Termination of this Agreement.* This Agreement (excluding any Terms Agreement) may be terminated for any reason, at any time by either the Company or any Agent, as to such Agent, upon the giving of 30 days' written notice of such termination to the other party hereto.

(b) *Termination of a Terms Agreement.* An Agent may terminate the applicable Terms Agreement, immediately upon notice to the Company, at any time on or prior to the Settlement Date relating thereto (i) if there has been, since the time such Terms Agreement is executed or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package and the Prospectus, any material adverse change in the financial condition, business or properties of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there shall have occurred any material adverse change in the financial markets in the United States or any outbreak or escalation of hostilities or other national or international calamity or crisis the effect of such change, outbreak, escalation, calamity or crisis of which is such as to make it, in the reasonable judgment of such Agent, impracticable to market the Notes or enforce contracts for the sale of the Notes, or (iii) if trading in any securities of the Company has been suspended by the SEC or a national securities exchange, or if trading generally on the New York Stock Exchange shall have been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by such exchange or by order of the SEC or any other governmental authority, or if a banking moratorium shall have been declared by either Federal or New York authorities, or if a material disruption in commercial banking or securities settlement or clearance services in the United States has occurred, or (iv) if the rating assigned by any "nationally recognized securities rating organization," as defined in Section 3(a)(62) of the 1934 Act, to any debt securities of the Company as of the time such Terms Agreement is executed shall have been lowered or withdrawn since that time or if any such rating agency shall have publicly announced or given notice of any intended or potential decrease in or withdrawal of any such rating or of a possible change in any such rating that does not indicate the direction of the possible change, or (v) if there shall have come to such Agent's attention any facts that would cause such Agent to reasonably believe that the General Disclosure Package, at the Applicable Time, or the Prospectus, at the time it was required to be delivered (or but for the exemption in Rule 172 of the 1933 Act Regulations would have been required to be delivered) to a purchaser of Notes, included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time of such delivery, not misleading.

(c) *General.* In the event of any such termination, neither party will have any liability to the other party hereto, except that (i) each Agent shall be entitled to any fees previously earned in accordance with the third paragraph of Section 3(a) hereof, (ii) if at the time of termination (a) each Agent shall own any Notes purchased as principal pursuant to a Terms Agreement or otherwise with the intention of reselling them (which shall be presumed unless

such Agent shall declare at the time of such purchase that it is purchasing such Notes for its own account and not with a view to the distribution thereof) or (b) an offer to purchase any of the Notes has been accepted by the Company but the time of delivery to the purchaser or its agent of the Note or Notes relating thereto has not occurred, the covenants set forth in Sections 4 and 7 hereof shall remain in effect until such Notes are so resold, and (iii) the covenant set forth in Section 4(h) hereof, the provisions of Section 10 hereof, the indemnity and contribution agreements set forth in Sections 8 and 9 hereof, and the provisions of Sections 11, 14 and 15 hereof shall remain in effect.

Section 13. *Notices.*

Unless otherwise provided herein, all notices required under the terms and provisions hereof shall be in writing, either delivered by hand, by mail or by telex, telecopier or telegram, and any such notice shall be effective when received at the address specified below.

If to the Company:

Public Service Electric and Gas Company
80 Park Plaza
Newark, New Jersey 07102
Attention: Treasurer

If to Agents:

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019
Attention: Syndicate Registration
Telecopy: (646) 834-8133

BNP Paribas Securities Corp.
787 Seventh Avenue, 7th Floor
New York, New York 10019
Attention: Fixed Income Syndicate
Email: new.york.syndicate@bnpparibas.com

BNY Mellon Capital Markets, LLC
240 Greenwich Street, 3rd Floor
New York, New York 10286
Attention: Debt Capital Markets
Telecopy: (212) 815-6403

BofA Securities, Inc.
50 Rockefeller Plaza
NY1-050-12-01
New York, New York 10020
Attention: High Grade Transaction Management/Legal
Telecopy: (646) 855-5958

CIBC World Markets Corp.
300 Madison Avenue, 5th Floor
New York, New York 10017
Attention: Execution Management
Email: dlcibcexecutionmanagement@cibc.com

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013
Attention: Transaction Execution Group
Telephone: (212) 816-1135
Telecopy: (646) 291-5209

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, New York 10010-3629
Attention: IBCM-Legal
Telecopy: (212) 325-4296

Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282
Attention: Registration Department
Telecopy: (212) 902-9316

J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179
Attention: MTN Desk
Telecopy: (212) 834-6081

Mizuho Securities USA LLC
320 Park Avenue, 12th Floor
New York, New York 10022
Attention: Debt Capital Markets
Telecopy: (212) 205-7812

Morgan Stanley & Co. LLC
1585 Broadway, 29th Floor
New York, New York 10036
Attention: Investment Banking Division
Telecopy: (212) 507-8999

MUFG Securities Americas Inc.
1221 Avenue of the Americas, 6th Floor
New York, NY 10020
Attention: Capital Markets Group

Phone: (212) 405-7440
Telecopy: (646) 434-3455

PNC Capital Markets LLC
300 Fifth Avenue, 10th Floor
Pittsburgh, Pennsylvania 15222
Attention: Debt Capital Markets, Transaction Execution
Email: valerie.shadeck@pnc.vom

RBC Capital Markets, LLC
200 Vesey Street, 8th Floor
New York, New York 10281
Attention: Transaction Management/Scott Primrose
Telecopy: (212) 658-6137

Scotia Capital (USA) Inc.
250 Vesey Street
New York, New York 10281
Attention: Debt Capital Markets/ Chief Legal Officer, U.S.
Telecopy: (212) 225-6550
Email: US.Legal@scotiabank.com

TD Securities (USA) LLC
31 West 52nd Street, 2nd Floor
New York, New York 10019
Attention: Transaction Management Group
Email: USTMG@tdsecurities.com

U.S. Bancorp Investments, Inc.
214 N. Tryon Street, 26th Floor
Charlotte, North Carolina 28202
Attention: Credit Fixed Income
Telecopy: (704) 335-2393

Wells Fargo Securities, LLC
550 South Tryon Street, 5th Floor
Charlotte, NC 28202
Attention: Transaction Management
Telecopy: (704) 410-0326

or at such other address as such party may designate from time to time by notice duly given in accordance with the terms of this Section 13.

Section 14. *Governing Law.*

This Agreement and all the rights and obligations of the parties shall be governed by and construed in accordance with the laws of the State of New Jersey applicable to agreements made and to be performed in such State.

Section 15. *Parties.*

This Agreement shall inure to the benefit of and be binding upon the Agents and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Sections 8 and 9 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Notes shall be deemed to be a successor by reason merely of such purchase.

Section 16. *No Fiduciary Duty.*

The Company acknowledges and agrees that (i) each purchase and sale, or placement, of Notes under this Agreement, including the determination of any price for such Notes and Agent compensation, is an arm's-length commercial transaction between the Company, on the one hand, and the applicable Agent(s), on the other hand, (ii) in connection therewith and with the process leading to such transactions, each Agent is acting solely as a principal and is not the agent (except to the extent explicitly agreed to pursuant to this Agreement) or fiduciary of the Company or any of its affiliates, (iii) no Agent has assumed any advisory or fiduciary responsibility in favor of the Company or any of its affiliates with respect to any offering of Notes under this Agreement or the process leading thereto (irrespective of whether such Agent has advised or is currently advising the Company or any of its affiliates on other matters) or any other obligation to the Company or any of its affiliates with respect to any offering of Notes except the obligations explicitly set forth in this Agreement, (iv) the Agents and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and (v) no Agent has provided any legal, accounting, regulatory or tax advice with respect to the transactions contemplated by this Agreement, and the Company has consulted its own legal and financial advisors to the extent it deemed appropriate.

Section 17. *Recognition of the U.S. Special Resolution Regimes.*

(a) In the event that any Agent that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Agent of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Agent that is a Covered Entity or a BHC Act Affiliate of such Agent becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Agent are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 17:

“**BHC Act Affiliate**” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“**Covered Entity**” means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**U.S. Special Resolution Regime**” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.


Section 18. *Patriot Act.*

In accordance with the requirements of the Patriot Act, the Agents are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Agents to properly identify their respective clients.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Agents and the Company in accordance with its terms.

Very truly yours,

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

By: 
Name: Bradford Huntington
Title: Treasurer

ACCEPTED:

BARCLAYS CAPITAL INC.

By: _____
Name:
Title:

BNP PARIBAS SECURITIES CORP.

By: _____
Name:
Title:

BNY MELLON CAPITAL MARKETS, LLC

By: _____
Name:
Title:

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Agents and the Company in accordance with its terms.

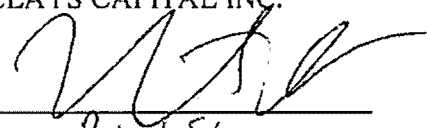
Very truly yours,

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

By: _____
Name: Bradford Huntington
Title: Treasurer

ACCEPTED:

BARCLAYS CAPITAL INC.

By: 
Name: Robert Stone
Title: Managing Director

BNP PARIBAS SECURITIES CORP.

By: _____
Name:
Title:

BNY MELLON CAPITAL MARKETS, LLC

By: _____
Name:
Title:

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Agents and the Company in accordance with its terms.

Very truly yours,

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

By: _____
Name: Bradford Huntington
Title: Treasurer

ACCEPTED:

BARCLAYS CAPITAL INC.

By: _____
Name:
Title:

BNP PARIBAS SECURITIES CORP.

By:  _____
Name:
Title: **Pasquale A. Perraglia IV**
Director

BNY MELLON CAPITAL MARKETS, LLC

By: _____
Name:
Title:

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Agents and the Company in accordance with its terms.

Very truly yours,

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

By: _____
Name: Bradford Huntington
Title: Treasurer

ACCEPTED:

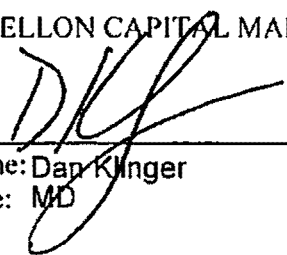
BARCLAYS CAPITAL INC.

By: _____
Name:
Title:

BNP PARIBAS SECURITIES CORP.

By: _____
Name:
Title:

BNY MELLON CAPITAL MARKETS, LLC

By:  _____
Name: Dan Klinger
Title: MD

BOFA SECURITIES, INC.

By: 
Name: **Laurie Campbell**
Title: **Managing Director**

CIBC WORLD MARKETS CORP.

By: _____
Name:
Title:

CITIGROUP GLOBAL MARKETS INC.

By: _____
Name:
Title:

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name:
Title:

GOLDMAN SACHS & CO. LLC

By: _____
Name:
Title:

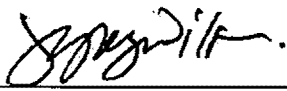
J.P. MORGAN SECURITIES LLC

By: _____
Name:
Title:

BOFA SECURITIES, INC.

By: _____
Name:
Title:

CIBC WORLD MARKETS CORP.

By:  _____
Name: Jeff Wilson
Title: Executive Director

CITIGROUP GLOBAL MARKETS INC.

By: _____
Name:
Title:

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name:
Title:

J.P. MORGAN SECURITIES LLC

By: _____
Name:
Title:

GOLDMAN SACHS & CO. LLC

By: _____
Name:
Title:

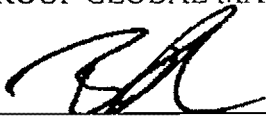
BOFA SECURITIES, INC.

By: _____
Name:
Title:

CIBC WORLD MARKETS CORP.

By: _____
Name:
Title:

CITIGROUP GLOBAL MARKETS INC.

By:  _____
Name: Brian D. Bednarski
Title: Managing Director

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name:
Title:

GOLDMAN SACHS & CO. LLC

By: _____
Name:
Title:

J.P. MORGAN SECURITIES LLC

By: _____
Name:
Title:

BOFA SECURITIES, INC.

By: _____
Name:
Title:

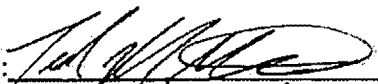
CIBC WORLD MARKETS CORP.

By: _____
Name:
Title:

CITIGROUP GLOBAL MARKETS INC.

By: _____
Name:
Title:

CREDIT SUISSE SECURITIES (USA) LLC

By: 
Name: *Ted Michael*
Title: *Managing Director*

GOLDMAN SACHS & CO. LLC

By: _____
Name:
Title:

J.P. MORGAN SECURITIES LLC

By: _____
Name:
Title:

BOFA SECURITIES, INC.

By: _____
Name:
Title:

CIBC WORLD MARKETS CORP.

By: _____
Name:
Title:


CITIGROUP GLOBAL MARKETS INC.

By: _____
Name:
Title:

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name:
Title:

GOLDMAN SACHS & CO. LLC

By: 
Name: Samuel Chaffin
Title: Vice President

J.P. MORGAN SECURITIES LLC

By: _____
Name:
Title:

BOFA SECURITIES, INC.

By: _____
Name:
Title:

CIBC WORLD MARKETS CORP.

By: _____
Name:
Title:

CITIGROUP GLOBAL MARKETS INC.

By: _____
Name:
Title:


CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name:
Title:

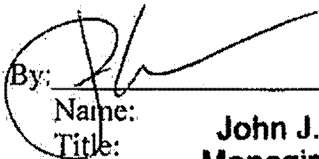
GOLDMAN SACHS & CO. LLC

By: _____
Name:
Title:

J.P. MORGAN SECURITIES LLC

By:  _____
Name: Som Bhattacharyya
Title: Executive Director

MIZUHO SECURITIES USA LLC

By: 
Name: _____
Title: **John J. McCabe**
Managing Director

MORGAN STANLEY & CO. LLC

By: _____
Name: _____
Title: _____

MUFG SECURITIES AMERICAS INC.

By: _____
Name: _____
Title: _____

PNC CAPITAL MARKETS LLC

By: _____
Name: _____
Title: _____

RBC CAPITAL MARKETS, LLC

By: _____
Name: _____
Title: _____

SCOTIA CAPITAL (USA) INC.

By: _____
Name: _____
Title: _____

MIZUHO SECURITIES USA LLC

By: _____
Name:
Title:

MORGAN STANLEY & CO. LLC

By: *Jan Drewe*
Name: IAN DREWE
Title: ED.

MUFG SECURITIES AMERICAS INC.

By: _____
Name:
Title:

PNC CAPITAL MARKETS LLC

By: _____
Name:
Title:

RBC CAPITAL MARKETS, LLC

By: _____
Name:
Title:

SCOTIA CAPITAL (USA) INC.

By: _____
Name:
Title:

MIZUHO SECURITIES USA LLC

By: _____
Name:
Title:

MORGAN STANLEY & CO. LLC

By: _____
Name:
Title:

MUFG SECURITIES AMERICAS INC.

By:  _____
Name: Brian Cogliandro
Title: Managing Director

PNC CAPITAL MARKETS LLC

By: _____
Name:
Title:

RBC CAPITAL MARKETS, LLC

By: _____
Name:
Title:

SCOTIA CAPITAL (USA) INC.

By: _____
Name:
Title:

MIZUHO SECURITIES USA LLC

By: _____
Name:
Title:

MORGAN STANLEY & CO. LLC

By: _____
Name:
Title:

MUFG SECURITIES AMERICAS INC.

By: _____
Name:
Title:

PNC CAPITAL MARKETS LLC

By: *Valerie Shodeck*
Name: *Valerie Shodeck*
Title: *Director*

RBC CAPITAL MARKETS, LLC

By: _____
Name:
Title:

SCOTIA CAPITAL (USA) INC.

By: _____
Name:
Title:

MIZUHO SECURITIES USA LLC

By: _____
Name:
Title:

MORGAN STANLEY & CO. LLC

By: _____
Name:
Title:

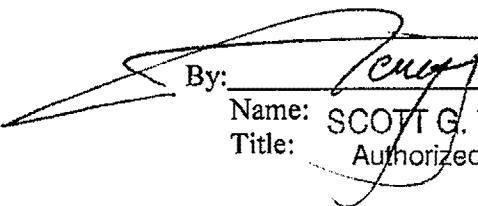
MUFG SECURITIES AMERICAS INC.

By: _____
Name:
Title:

PNC CAPITAL MARKETS LLC

By: _____
Name:
Title:

RBC CAPITAL MARKETS, LLC

By:  _____
Name: SCOTT G. PRIMROSE
Title: Authorized Signatory

SCOTIA CAPITAL (USA) INC.

By: _____
Name:
Title:

MIZUHO SECURITIES USA LLC

By: _____
Name:
Title:

MORGAN STANLEY & CO. LLC

By: _____
Name:
Title:

MUFG SECURITIES AMERICAS INC.

By: _____
Name:
Title:

PNC CAPITAL MARKETS LLC

By: _____
Name:
Title:

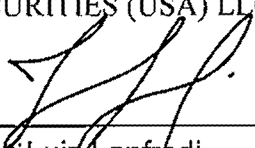
RBC CAPITAL MARKETS, LLC

By: _____
Name:
Title:

SCOTIA CAPITAL (USA) INC.

By: _____
Name: Michael Ravanese
Title: Managing Director & Head

TD SECURITIES (USA) LLC

By: 
Name: Luiz Lanfredi
Title: Director

U.S. BANCORP INVESTMENTS, INC.

By: _____
Name:
Title:

WELLS FARGO SECURITIES, LLC

By: _____
Name:
Title:

TD SECURITIES (USA) LLC

By: _____

Name:

Title:

U.S. BANCORP INVESTMENTS, INC.

By:  _____

Name: Phillip Bennett

Title: Managing Director

WELLS FARGO SECURITIES, LLC

By: _____

Name:

Title:

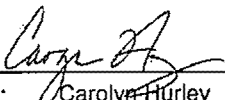
TD SECURITIES (USA) LLC

By: _____
Name:
Title:

U.S. BANCORP INVESTMENTS, INC.

By: _____
Name:
Title:

WELLS FARGO SECURITIES, LLC

By:  _____
Name: Carolyn Hurley
Title: Director

SCHEDULE A

<u>Maturity Ranges</u>	<u>Percent of Principal Amount</u>
From 1 year to less than 18 months .....	.150%
From 18 months to less than 2 years.....	.200%
From 2 years to less than 3 years .....	.250%
From 3 years to less than 4 years .....	.350%
From 4 years to less than 5 years .....	.450%
From 5 years to less than 6 years .....	.500%
From 6 years to less than 7 years .....	.500%
From 7 years to less than 10 years .....	.550%
From 10 years to less than 15 years .....	.600%
From 15 years to less than 20 years .....	.600%
From 20 years to 30 years .....	.750%

EXHIBIT A

The following terms, if applicable, shall be agreed to by the applicable Agent and the Company pursuant to each Terms Agreement:

Trade Date:
Applicable Time:
Original Issue Date:
Principal Amount:
Price to Public:
Underwriting Discount:
Interest Rate:
Interest Accrual Date:
Interest Payment Dates:
Regular Record Dates:
Maturity Date:
Optional Redemption Terms, if any:
 Initial Redemption Date:
 Initial Redemption Percentage:
 Annual Redemption Percentage Reduction:
Additional Terms:

Also, agreement as to whether the following will be required:

Officers' Certificate pursuant to Section 7(b) of the Distribution Agreement.
Legal Opinion pursuant to Section 7(c) of the Distribution Agreement.
Comfort Letter pursuant to Section 7(d) of the Distribution Agreement.
Stand-off Agreement pursuant to Section 4(k) of the Distribution Agreement.