



Third Party Supplier

Electric Operating Manual

Nov 5, 2021 (last updated)

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ATTACHMENT A

Standard Charges for Operational and Transactional Assistance
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ATTACHMENT B

Survey of EDI/GISB Capability

ATTACHMENT C

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ATTACHMENT D

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ATTACHMENT F

EDI Data Dictionary
Glossary of EDI Terms

GENERAL STATEMENT

The information contained in this manual reflects the latest PJM rules and New Jersey Board of Public Utilities (NJBPU) decisions on Retail Choice. This manual is subject to change to reflect changes in PJM rules, State regulations and/or new NJBPU rules and decisions. In the event of any conflict between the guidelines contained within this manual and the provisions of Third Party Supplier Agreement or the TPS Customer Account Services Master Service Agreement (BSA), executed by the TPS and PSE&G, the Third Party Supplier Agreement and/or the TPS Customer Account Services Master Service Agreement (BSA) shall control.

Updates to this Operating Manual will be made available on the PSEG web site.

The procedures set forth in this Operating Manual may differ from those in place at other New Jersey utilities.

For any inquiry unrelated to energy forecasting and settlement please contact:

**Third Party Supplier Support
(TPSS)**

Phone: 1-800-664-4761 Option 1

Email: TPSupplier@pseg.com

Introduction To Third Party Supplier Operating Manual

STATEMENT OF PURPOSE

This Operating Manual has been assembled to communicate essential information to Third Party Suppliers (Suppliers) about participating in Electric Retail Choice opportunities with PSE&G in New Jersey. This Manual is intended to describe how PSE&G is implementing Retail Choice on behalf of New Jersey consumers and in compliance with the “Electric Discount and Energy Competition Act”, thereby enabling Third Party Suppliers to enter the market and sell electric power.

To serve as a supplier to PSE&G customers, suppliers must be registered and licensed with the NJBPU. Customer enrollment with new Suppliers must be handled with care to avoid potential confusion, and the Customer loads served by every Supplier must be metered or estimated in a timely manner for settlement with PJM-ISO.

This Manual summarizes key processes and communication protocols that must be understood and implemented by Suppliers and PSE&G in order for Customer choice to work smoothly. The Third Party Supplier Electric Operating Manual is available on our web site.

Additional information is available on our Web Site

<https://nj.myaccount.pseg.com/myservicepublic/energychoiceandthirdpartysuppliers> click or you may call the appropriate phone numbers listed within this manual.

Becoming a New Jersey Third Party Supplier

Please see:

<https://nj.myaccount.pseg.com/myservicepublic/energychoiceandthirdpartysuppliers/thirdpartysuppliers>

Definitions and Acronyms

THIRD PARTY SUPPLIER (TPS) is the entity that is eligible to participate in retail access by serving the loads of customers located within PSE&G's electric service territory. This entity includes, but is not limited to, marketers, aggregators and brokers. PSE&G wants access to the New Jersey energy market to be fair and efficient.

ACH	Automatic Clearing House
ATMS	Avanade Transaction Management Services
BGS	Basic Generation Service (supplied by PSE&G)
BSA	Third Party Supplier Customer Account Services Master Service Agreement (i.e. "Billing Services Agreement (BSA)")
CCS	Customer Care System (Information and Billing)
EDI	Electronic Data Interchange
ESA&O	Energy Supply Acquisition & Operations
FERC	Federal Energy Regulatory Commission.
GISB	EDI Internet Transport Protocol
I&C	Industrial and Commercial
LMP	Hourly Locational Marginal Price, which will be established by the PJM-ISO as approved by the FERC.
LSE	Load Serving Entity
NJBPU	New Jersey Board of Public Utilities
OA	Current FERC-approved Operating Agreement for the PJM Control Area.
OATT PJM	Current FERC-approved Open Access Transmission Tariff for the Control Area.
PJM	Pennsylvania-New Jersey-Maryland Office of Interconnection
PJM-ISO	System Operator of the Pennsylvania-New Jersey-Maryland Office of Interconnection
PODID	A 20 digit alpha-numeric field that identifies the customer's installation or Point Of Delivery. This field begins with PE followed by 18 numbers.
RAA	Reliability Assurance Agreement, as approved by the FERC.
SC	Scheduling Coordinator
SCD	Scheduling Coordinator Designation Form
SPOT MARKET	Short-run interchange market for energy that will be operated by the PJM-ISO, in accordance with the OA.
TPSA	Third Party Supplier Agreement

EDI Capability and Procedures

To enroll or drop customers and utilize the PSE&G consolidated bill option, TPSs must be EDI capable. To be EDI capable means to be able to translate data into ANSI X12 standard documents and transmit these documents electronically using GISB Internet Transport Protocol to PSE&G. It also means that TPSs must be able to retrieve documents electronically via GISB and translate them from the X12 standard into a usable data format. Along with the transmittal and retrieval of documents the TPS must acknowledge receipt of the documents with a Functional Acknowledgment.

The Documents that will be exchanged between PSE&G and the TPS are as follows:

- Invoice - Transaction Set 810 X12 standard version 4010. (Customer Charges)
- General Request, Response, Change or Confirmation - Transaction Set 814 X12 standard 4010. (Enrollment, Drop, Change, Reinstate, & Advance Notice to "Drop"/Switch)
- Payment Order/Remittance Advice - Transaction Set 820 X12 standard version 4010.
- Product Transfer and Resale Report - Transaction Set 867 X12 standard version 4010. (Usage Data)
- Application Advice - Transaction Set 824 X 12 standard version 4010. (Notice used for missed billed window and other 810 errors).
- Functional Acknowledgment - Transaction Set 997 X12 standard version 4010.

EDI Guidelines, for the 810, 814, 820, 824 and 867 are available on the NJBPU Website <http://www.nj.gov/bpu/about/divisions/energy/edi.html>

- Automatic Clearing House (ACH) money transferred to bank.

To schedule EDI testing please contact PSE&G, TPSS at 1-800-664-4761 Option 1 or email TPSupplier@pseg.com

Getting Started with EDI

PSE&G is supported by ATMS EDI Support Center and GISB services for the EDI implementation.

If you currently do not have an EDI system, you must do the following starting from Item 1. If you already have an ongoing EDI system, please start at item 4.

- 1) Obtain EDI translation and communication software. This will allow data to be translated into and from the ANSI X12 standard, version 4010 and transmitted using the GISB Internet Transport Protocol.
- 2) Obtain a platform that will host the EDI translation and communication software that will run the software efficiently
- 3) Obtain GISB Internet Transport Protocol. This will allow the documents to be transported and picked up.
- 4) EDI Survey Form (see Attachment B) and e-mail to:
TPSupplier@pseg.com
- 5) Develop your maps using the NJBPU approved guidelines available on the NJBPU [web-site](#).

EDI Certification Test

Following the completion of PSE&G's EDI Survey to become EDI certified the TPS must accomplish the following tasks:

- A. PSE&G will determine if the TPS will be considered for only connectivity testing or if it will be necessary to complete end-to-end. The TPS that qualifies for connectivity testing but elect to conduct end to end testing will be responsible for the costs.
- B. If the TPS uses a GISB server other than ATMS, an 'interconnect', must be established between the TPS' GISB server and ATMS. You must inform your Internet EDI URL the following transaction sets will be sent and received from your mailbox. These transaction sets are listed in the order of priority for testing:
- 814 - General Request, Response, Confirmation or Change
 - 867 - Product Transfer and Resale Report - Usage Data
 - 810 - Invoice
 - 820 - Payment Order/Remittance Advice (only the Remittance Advice will be used)
 - 824 - Rejection Notice
 - 997 - Functional Acknowledgment (the 997 will be used throughout transaction testing)
- C. EDI testing cannot be scheduled until the supplier has submitted the necessary documentation and met all other requirements listed in the Certification, Licensing and Accreditation section prior to the monthly deadline. Testing will commence based on the schedule posted at <https://nj.myaccount.pseg.com/myservicepublic/energychoiceandthirdpartysuppliers/energychoicedocuments> A representative from TPSS or authorized agent will contact the TPS' EDI or Business contact to begin testing.

The Testing Process

The TPS will be considered ready for production when it has successfully completed end-to-end or connectivity testing. (The type of testing will be based on TPSs past EDI experience.) What this means, documents that PSE&G sends to the TPS must be received from its server, translated from the X12 standard into usable data record format and processed by the TPS' application system.

The process will then be reversed for documents being sent to PSE&G. Once this end-to-end testing has successfully completed the TPS will be considered ready for production for those particular transactions. The testing will consist of the following steps

(See testing document for greater detail):

- A. Transmission** - Delivery of documents to TPS Internet EDI URL. This step will test whether connectivity has been established.
- B. Document Translation** - Once the document has been received, it will be translated from the X12 standard into an application ready record format. A Functional Acknowledgements (997s) are required for all documents. This step will check for X12 compliance problems.
- C. Application testing** - Once the data has been translated and formatted into an application ready format the data will be processed by the TPS' application system. This step will determine if the data being exchanged is valid.
- D. Application testing (response)** - The TPS will generate data from the application system in response to the document received.
- E. Document Translation (response)** - The TPS will pass the data through the EDI translator and generate an X12 document.
- F. Transmission (response)** - The TPS will transmit the X12 document to the Internet EDI URL. The TPS Internet EDI URL will interconnect with the PSE&G Internet EDI URL (if necessary) and deposit the document into PSE&G mailbox. PSE&G will retrieve the document, check for X12 compliance and data validity by passing it through the appropriate application system.

G. There will be a charge for EDI testing over and beyond the initial testing.

H. EDI providers new to PSE&G service territory will have to perform full EDI Consolidated Bill testing. Active third party suppliers who switch their EDI provider to a vendor who is new to the PSE&G service territory will be responsible for any associated fees including EDI testing fees.

Business Partner Relationship

These relationships as described herein are intended to serve as a general guide for the purpose of establishing information standards. In order to establish a set of mutually agreed upon standards, there first must be a mutual understanding of the business relationships to which the standards will be applied in accordance with the Board's orders. The following represents the current understanding of these relationships. It should be noted that in an effort to remain consistent with the Utility's Industry Group's terminology, and for the purpose of this manual, the term enrollment is used for the transaction involving a customer signing up with or switching Third Party Suppliers.

Third Party Supplier Responsibilities:

- Obtain license/certification from the NJBPU, PJM, and PSE&G.
- Obtain the appropriate authorization from the customer for historical usage data to be released by PSE&G during the pre-enrollment process.
- Obtain the appropriate authorization from each customer for enrollment and historical usage release.
- Successfully complete electronic system testing.
- Send the applicable information electronically to PSE&G for customer enrollment, switching, or drop of generation service.
- Conform to NJ switching rule (13 days prior to customer's next meter reading) for enrollment and switching notification.
- Electronically receive on a monthly basis customer's energy usage.

- Provide PSE&G via EDI and on a monthly basis bill ready charges to complete the one bill option or renders its own bill for generation service.
- Maintain own set of customer accounts receivable records.
- Maintain proof of the customer contract.
- Provide names and phone numbers of both a business and a technical contact to facilitate inter-business communications.
- Contact PSE&G's Third Party Supplier Support for all inquiries.
- Execute a Third Party Supplier Agreement with PSE&G and BSA, if applicable.
- Satisfy creditworthiness requirements.
- All technical service costs beyond the 5-hour threshold per month.
- Understand the last-in enrollment and slamming rules.
- Comply with all notice provisions in the TPS Agreement, or as may be required by Board Orders and/or in the NJ Administrative Code.
- Provide any changes to information supplied on the TPS Application in a timely manner.
- Meet all PJM requirements including obtaining access to PJM scheduling tools including InSchedule and eRPM.
- Confirming the "contract" between PSE&G and the Third Party Supplier through the PJM InSchedule system (formerly known as eSchedules).
- Arrange for energy supply
- Settle with PSE&G's Energy Supply Acquisition & Operations any customer usage imbalances outside PJM's acceptable time period.
- Pay and receive payment via Automatic Clearing House (ACH) transfer for such imbalances.

- Understand all special Tariff billing provisions incorporated in PSE&G's charges to its customer.

Customer Responsibilities:

- Request an enrollment package from PSE&G for initial account and Third Party Supplier information.
- Provide appropriate authorization to a Third Party Supplier for release of historical consumption data from PSE&G during the pre-enrollment process.
- Select one TPS for enrollment per electric account.
- Provide the applicable valid PODID to the Supplier.
- Provide the appropriate authorization to the Supplier in order to be enrolled.
- Receive one bill from PSE&G unless the customer chooses a two-bill scenario.
- Notify its TPS of any special Tariff provisions, inherent or contracted, incorporated in PSE&G's charges.

PSE&G Responsibilities:

- Provide Customers with a list of licensed Suppliers as directed by the NJBPU.
- Provide the Customer's appropriate historical usage data to the Customer or to the Third Party Supplier when formally authorized.
- Schedule normal cycle meter-read dates.
- Render bills to the Customer as required by Customer/Supplier relationship.
- Maintain records of required data related to the current customer/supplier services.
- Provide the Supplier with monthly or hourly usage information required by the customer rate schedule.

- Provide the Supplier with TPS customer payment information and the funds collected when the customer receives one bill.
- Provide the TPS with names and phone numbers of both a business and a technical contact to facilitate inter-business communications.
- Maintain an Internet site, containing various standard documents, available for access by Third Party Suppliers (e.g. tariffs, class load profiles, meter-read dates, etc.)
- Remain the **only** authorized entity to terminate (i.e. physically disconnect) electric service to the customer.
- Not responsible to maintain customer account receivable records for Suppliers unless contractually negotiated.
- Provide each TPS with a unique retailer code number and necessary security access codes to do business.

Certification, Licensing and Activation

The NJBPU Process

As a third-party supplier, you must be licensed by the NJBPU in accordance with NJBPU regulations and procedures.

The PJM Process

Suppliers must execute all appropriate PJM and FERC applications, credit reviews and agreements that are appropriate to the levels and types of business they plan to conduct.

The TPS Activation Process

In order to become eligible to participate in retail access by serving the loads of customers located within PSE&G electric service territory, the Third Party Suppliers (TPS) must be activated in the PSE&G system.

As part of the activation process each TPS must complete and mail the TPS application, which is available on the PSE&G Website (<https://nj.myaccount.pseg.com/myservicepublic/energychoiceandthirdpartysuppliers/energychoicedocuments>), and provide the required documentation listed on page three (3) of the application to:

PSE&G
Energy Supply Acquisition & Operations
80 Park Plaza, T-18
Newark, NJ 07102

An incomplete application form and/or insufficient documentation will result in a delay in the enrollment process. PSE&G's Energy Supply Administration group will notify the TPS within ten (10) working days of missing information and will continue to proceed with the enrollment process, if possible. The enrollment process will not be completed

until all the required documentation is received. PSE&G will make a good faith effort to complete the accreditation process within thirty (30) days of receiving a completed TPS application.

The information to be provided in and with the application includes:

1. General Data on the applicant and, when applicable, on the applicant's parent company including name, address for company and main contact person, years in business, federal tax ID# and D&B Duns #.
2. Bank information for wiring transfers.
3. Bank references.
4. Supplemental Data:
 - Most recent financial information including the most recent annual report, most recent 10-K and 10-Q or most recent audited annual financial information, most recent quarterly or monthly financial information with an attestation by Applicant's Chief Financial Officer that the information submitted is true, correct and a fair representation of Applicant's financial condition.
 - Applicant's and Applicant Parent Company's senior unsecured debt rating by at least two of the rating companies/agencies listed in the application
 - Proof of current New Jersey BPU License.
 - Proof of satisfaction of all PJM requirements (applications, agreements, licenses, welcome letter, credit review.)
 - EDI Survey Form must be completed and returned to TPS Support.
 - Executed Confidentiality Agreement.

Credit Review Procedures

PSE&G's Energy Supply Administration group is responsible for the ongoing implementation of the credit review procedures.

A TPS can demonstrate its creditworthiness by having, and maintaining investment-grade senior unsecured debt ratings issued by two of the following rating agencies: Standard & Poors Rating Services, Moody's Investors Service, or Fitch Ratings.

For the TPSs unable to demonstrate creditworthiness by the aforementioned criteria, TPSs may make alternative credit arrangements in a format acceptable to PSE&G. Alternative credit arrangements include guarantee of payment issued by an investment grade parent, or posting of security in the form of an irrevocable letter of credit issued by a financial institution acceptable to PSE&G, or cash collateral. Attachments D and E include for samples of an Acceptable Guaranty and an Irrevocable Letter of Credit respectively.

If TPS is required to post security, the activation process will not be completed until the security is received by PSE&G. The security required will be based upon the following calculation and procedure:

Initial entry into NJ Market – Each TPS will submit with its application, the estimated customer usage for sixty (60) days in the summer months in kWh's, broken down by rate class. The initial credit exposure will be the greater of \$25,000 or the sum of the usage for each rate class multiplied by the respective average BGS rate.

After Power Flows – Each TPSs credit exposure will be recalculated and, if required, additional security will be requested by PSE&G in accordance with the provisions of the TPS Agreement. PSE&G periodically re-evaluates the level of credit exposure for each TPS.

Events of Default

Any events of default will be treated in accordance with Article 6 of the TPS Agreement.

Arranging Energy Supply

As a Load Serving Entity, it is your responsibility to arrange for the energy supply to your customers. This must be done through the PJM ISO.

You must adhere to the operational requirements of both PJM and PSE&G.

Market Prices

PJM establishes prices for energy-related products and services, pursuant to the PJM, OATT, OA and Reliability Assurance Agreement (RAA).

Establishing Locational Marginal Prices (LMPs)

PJM is responsible for establishing LMPs for energy bought and sold in the Spot Market, which is the supply and balancing market for energy.

Settlement

PSE&G will assign each Third Party Supplier a PJM ID number and will set up a “contract” in the PJM InSchedule. The Third Party Supplier must confirm this “contract”. This confirmation allows PSE&G to submit load estimation data to PJM. .

- PSE&G will send load information to PJM for purposes of settlement. Load Estimation – each business day PSE&G will submit a load estimate to PJM for energy used during the prior day
- Reconciliation - After the customer meters are read, within 60 days from the end of the month, PSE&G will submit the final loads to PJM.
- Post 60 Day Reconciliation – Should a customer’s actual use not be determined or available, or calculated in error, within the “normal” PJM 60 day settlement period, and such error becomes evident to PSE&G beyond the “normal” PJM 60 day settlement deadline, PSE&G reserves the right to require that the customer’s corrected load be reconciled with a Supplier beyond the “normal” 60 day settlement process.

Limitation on PSE&G Supplier 'accounts':

Generally, PSE&G establishes a single supplier 'account' within our systems – and associates this account to single eRPM and InSchedule accounts at PJM. However, if a TPS requests additional PSE&G accounts, PSE&G will establish up to a total of 5 such accounts – and will assess the supplier a \$750 set-up cost for every account in excess of the first account (i.e. there is no charge for a single supplier account). In cases of multiple accounts, the TPS must advise PSE&G of the additional PJM capacity short names to utilize with the additional accounts. The TPS must enroll / re-enroll each customer under the proper TPS account.

Information Required by PSE&G

The Third Party Supplier must provide any necessary data to assure integrity of the load obligation calculation and settlement processes.

Federal, State and Local Laws

Access to the retail energy market is subject to all existing or future federal, state and local laws that apply, and to all existing or future duly promulgated orders or other duly authorized actions of governmental authorities having jurisdiction over such matters. PSE&G will not violate, directly or indirectly, or become a party to a violation of any applicable federal, state, or local statute, regulation, rule or order in order to provide access to third-party suppliers. Our obligation to provide retail access is subject to the condition that all requisite governmental and regulatory approvals for the delivery of such service are retained.

The Customer Enrollment Process

Pre-enrollment Usage Requests

Prior to enrollment, Third Party Suppliers can obtain usage in the following manner:

Industrial, Commercial and Residential Customers

A TPS can get up to 12-months of usage history from the customer after the customer has requested it from PSE&G or the customer receives it in their enrollment packet. A TPS can ask the customer for this information prior to entering into a contract.

A TPS can request interval data by contacting via e-mail TPSupplier@pseg.com. Interval usage requests may be charged \$40 per meter. The TPS must obtain and retain a letter of authorization from the customer for this data.

A TPS can request up to 15-months of historical usage data through an EDI 814 Historical Usage Transaction request. The TPS must obtain customer authorization prior to submitting a pre-enrollment usage request. It will be the TPS' responsibility to retain the written signature for such customer authorization. In addition, the TPS shall only submit usage requests for accounts duly authorized.

Customer Requests Enrollment Package

Within two (2) days of request, a customer will be mailed an enrollment package with all information required to negotiate with a TPS. The packet will contain; cover letter, usage (10 digit account number, billing cycle, billing rate, capacity obligation & transmission load), pamphlet with frequently asked questions and answers, and a list of TPS licensed by the NJBPU.

For a customer enrollment between a TPS and customer, there must be an executed contract with the TPS who retains the contract and will electronically notify PSE&G to enroll that customer.

Suppliers will have an opportunity to select the one or two-bill option. The Suppliers will notify PSE&G of their intent in the EDI enrollment request.

Customer signs with a TPS

PSE&G must receive an EDI 814 Enrollment Transaction request from the TPS thirteen (13) days prior to the next meter read date in order to become effective one day after the meter read date. PSE&G will validate the request by using the customer's 20-digit PODID against our Customer Care System. If the account does not match our Customer Care System an EDI rejection response will be sent back to the TPS.

If the PODID is valid an EDI enrollment acceptance response will be sent to the TPS and a confirmation letter to the customer. The customer has seven (7) days from the date of the confirmation letter to rescind the contract. If more than one enrollment request is received for the same cycled bill date the contract with the most recent date will be awarded the contract.

Customer Switches TPS

PSE&G must receive an EDI 814 Enrollment Transaction request from the TPS thirteen (13) days prior to the next meter read date in order to become effective one day after the meter read date. PSE&G will validate the request by using the customer's 20-digit PODID against our Customer Care System. If the account does not match our Customer Care System an EDI rejection response will be sent back to the TPS.

If the PODID is valid an EDI enrollment acceptance response will be sent to the TPS and a confirmation letter to the customer. A residential customer has seven (7) days from the date of the confirmation letter to rescind the contract. If more than one enrollment request is received for the same cycled bill date the contract with the most recent date will be awarded the contract.

Switches between TPSs will be allowed on a monthly basis. Should a customer rescind an enrollment request the customer will revert back to its current supplier prior to the receipt of the enrollment request.

Customer returns to PSE&G

The customer can contact PSE&G by mail or phone if it has dropped its TPS and are returning to PSE&G for BGS. This notification must conform to the 13-day prior to the next meter reading cycle requirement. If a customer requests to return to PSE&G, PSE&G will send an EDI drop transaction to the current TPS and send a confirmation letter to the customer.

Customers have the opportunity to switch between TPS' and BGS monthly but must adhere to the 13-day prior to the next meter reading date rule.

TPS drops Customer

The TPS must notify, via an EDI transaction, that it is dropping a customer. This notification must conform to the 13-day prior to the next meter reading cycle requirement. PSE&G will validate the request by using the customer's 20-digit PODID against our Customer Care System. If the account does not match our Customer Care System an EDI rejection response will be sent back to the TPS.

If the account matches in our Customer Care System an EDI Drop acceptance response will be sent to the TPS and a confirmation letter sent to the customer. The customer will revert back to BGS unless the customer chooses to select another supplier. If a customer chooses another TPS, we must receive the EDI enrollment transaction thirteen (13) days prior to the next meter read date in order to become effective one day after the meter read date. The customer will continue on BGS until that time.

The TPS shall comply with all notice provisions as set forth in Article 11 of the TPS Agreement.

Drop notices will include an effective date and reason for the drop.

TPS Default Process

In the event that a customer is returned to BGS due to a TPS default, a confirmation letter will be forwarded to the customer, and the customer may choose a new TPS at its convenience adhering to the 13-day prior to the next meter reading date notification period.

Customer Rescind Process

Residential customers always have seven (7) days from the date of the confirmation letter to rescind any TPS contract they might have signed. The customer must call PSE&G to notify the utility of its decision to rescind the pending contract. An EDI transaction notification will be sent to the TPS and a confirmation letter will then be mailed to the customer.

The customer may immediately sign with any other TPS but needs to conform to the 13-day prior to the meter reading date rule for activation of the switch in supplier.

Utility Consolidated Billing

In order for a Third Party Supplier (TPS) to utilize the LDC consolidated bill option, the TPS will need to execute a TPS Agreement, and a Customer Account Service Agreement (BSA) and complete EDI testing. These options are set forth in the BSA and include the ability to utilize an enhanced utility consolidated bill that will permit a TPS to print its logo, add a rolling page of text, issue a TPS consolidated bill, assumption of accounts receivable by the billing party, and bill insert capabilities.

Consolidated billing is defined where there will be one party responsible for the printing and presentation of the LDC or TPS charges on a customer's bill, and assuming the receivables for these charges. This service will initially be offered by LDC and subsequently by a TPS once the Customer Process Working Group has settled on the rules.

PSE&G will provide a consolidated bill to a customer if the customer satisfies the applicable credit requirements and if the TPS has satisfied all the necessary EDI and contractual requirements. The TPS requests such a billing option through the applicable EDI transaction. Currently the consolidated bill option is only available through PSE&G. At the end of each billing period, PSE&G will electronically send the TPS its customers' monthly or hourly kWh usage data and kW. This information will be sent via EDI utilizing the 867-transaction set (Product Transfer and Resale Report Version 4010). The TPS will calculate its charge. Billing information will electronically be returned to

PSE&G within 48 hours of the usage data being sent. This information will also be sent via EDI utilizing the 810 transaction set (Invoice) Version 4010. PSE&G will integrate, print, and distribute the bill.

PSE&G's bill-ready consolidated bills will include up to one rolling TPS page at no charge to the TPS at this time. The rolling page begins with a fixed section for TPS name, telephone number, and billing charges. It ends with the last line of allowable text (up to 50 lines of 60 characters) supplied by the TPS.

The customer billing process will follow these guidelines:

- PSE&G will not enforce TPS contract with its customers, nor impose any service cut-off as a result of a failure to pay or any other dispute between the TPS and its energy customers (although PSE&G may treat all undisputed charges – when assuming receivables in a consolidated bill – in the same collection process as is provided for with all distribution charges).
- TPS will provide the calculated charges (bill ready) for the energy portion of its charges for PSE&G's bill.
- PSE&G will not discuss third party supplier billing information with third party supplier customers.
- PSE&G will not print additional bills if the billing data is not received within the 48-hour data exchange period. The TPS charges will have to be resubmitted the following month for the next billing cycle.
- The 48-hour period is measured from the time PSE&G sends the usage data.

Rolling Page

The rolling page will include, at a minimum, the following information: TPS' name, telephone number, current charges, adjustments and total charges. If provided by the TPS, PSE&G will include on the consolidated bill the TPS' logo or name in bold-faced letters, printed in a manner satisfactory to both PSE&G and the TPS. All data transmission will be via EDI (810) (PSE&G will receive the rolling page of text on the

EDI 810 for each bill). The TPS provides the account charges on the standard 810 and has the option of sending additional lines of text up to a maximum of 50 lines with 60 characters.

PSE&G must still receive the data points in the current EDI 810 transaction. If the data points and text is not received within the 48-hour window, the current “TPS data not available” message will print. If the data points are received and are valid, but the rolling page text contains an error, the data points will still be printed on the customer’s bill and an EDI 824 will be sent to the TPS advising of the text error. If PSE&G rejects an 810 for errors in the billing data points, neither the billing data points nor the rolling page of text will be printed on the bill. The text supplied by the TPS will print in both upper and lower case and the font will be a customized Helvetica condensed.

TPS’ Logo

A TPS logo may be displayed on the utility bill for customers enrolled under the consolidated bill option. Logo requirements are:

- Two separate logos must be submitted one in JPEG format and one in TIF format
- Logo width should be approximately 1.17 inches
- Logo height should be approximately 0.68 inches
- Logo should be in black and white

Assuming Receivables

With the PSE&G consolidated bill, the Electric TPS will be paid 100% of their undisputed energy commodity customer charges. This money will be transferred to the TPSs bank via an Automatic Clearing House (ACH) within 20 days of the billing date or 5 days after the due date printed on the bill. PSE&G will assume TPS balances going forward from the effective switch date for each customer. No outstanding TPS balances will be assumed prior to that date.

PSE&G shall make payments of funds payable to the TPS by ACH to the bank designated by the TPS found on the TPS Application submitted to PSE&G’s Energy Supply Administration group at: 80 Park Plaza T-18, Newark, NJ 07101.

If changes are needed to the TPS Banking Information:

Email a request to PSE&G's Energy Supply Administration group. The request must be sent on company letterhead and signed by a company executive. Please include the following information.

Name on bank account

Bank name

Bank routing number (for ACH)

Bank account number

PSE&G will also need a letter from your bank on company letterhead indicating that this is indeed your account. Your new banking information will take effect 20 days from the date it was changed in our system.

TPS Consolidated Bill

A TPS Consolidated Bill is not available at this time.

Consolidated Billing Conversion to Dual Billing

A customer is entitled to receive a consolidated bill if the billing party, whether it be PSE&G or the TPS, determines that the customer is creditworthy. The billing party will be required to inform the customer that failure to pay bills in a timely manner will result in conversion from consolidated billing to dual billing.

Customer Creditworthiness – New Enrollment, Transition, Ongoing

PSE&G will reject any 814 Enrollment for an LDC consolidated bill option if a residential, municipal, commercial or industrial customer is in arrearage of 120 days or more. If an account has a balance of 60 days or more upon enrollment the supplier will be sent in their enrollment acceptance response the number of days of the account arrearage. After enrollment an EDI 814 Advance Notice to "Drop"/switch to Dual Billing will be sent to the supplier if the customer's balance reaches 75 days old. This transaction will contain an expected switch to dual date if no payments are received. If the customer's balance drops below 75 days old and then reaches 75 days old again

another EDI 814 Advance Notice to “Drop”/switch to Dual Billing transaction will be sent to the supplier.

At PSE&G’s discretion, the customer may be converted from consolidated billing to dual billing if any arrearage reaches 120 days. In this event, PSE&G will notify both the customer (via letter and/or bill message) and the non-billing party (via EDI) that the provision of consolidated billing service is terminating. Dual billing will commence on the next meter reading date from the date of the notice. The customer can be switched back to the consolidated bill option once the customer’s account balance falls below 60 days past due. It is the supplier’s responsibility to send an 814 change transaction to PSE&G requesting to return the customer back to the consolidated bill option.

If a customer is converted from consolidated to dual billing by any party for any reasons, both PSE&G and the TPS will be responsible for its own receivables, effective as of the start of dual billing. A consolidated bill account is delinquent when any undisputed charges from a prior billing period are outstanding on the subsequent billing date.

Customer Disputed Charges

If the billing party receives a customer inquiry regarding its charges, the billing party shall be responsible for resolving the inquiry with the customer. If the billing party receives a customer inquiry regarding the non-billing party’s charges, the billing party shall refer the customer to the non-billing party for resolution. The billing and non-billing parties will provide reasonable effort in assisting each other in resolving any disputes. If the customer notifies the billing party that they have contacted the non-billing party regarding the non-billing party’s charges and still disputes them, the billing party will place the disputed amount ‘in dispute’.

The billing party will issue an 820 to the TPS, advising them that the ‘in dispute’ amounts will be deducted from the payments made 20 days from that date. In this case, the non-billing party will be paid for all charges 20 days from the original date of bill presentment. The disputed amount will be deducted from the payments made to the non-billing party in 20 days. The non-billing party would then be responsible for

settling the dispute and collecting the charges from the customer. Such disputed charges should NOT be resubmitted in a future normal charge (810) for that customer.

Two Bill Scenario (Dual Billing)

Customers who have chosen a third party supplier and elect to receive a bill from PSE&G for all appropriate LDC charges and a second bill from its TPS for generation service.

- Under this option PSE&G has no responsibility other than the EDI transfer of usage data via an 867-transaction set.

Cancel / Rebill of Monthly or Interval Usage

Prior to August 1, 2016 PSE&G was not able to provide consolidated billing for ESP's who were not the supplier of record at the time a cancel/rebill was processed on an account. PSE&G has implemented a system enhancement which will now allow consolidated billing to occur for ESP's when a cancel/rebill is performed on an account after the customer-supplier relationship has ceased. This change will only apply to customers under the consolidated bill option at the time the customer-supplier relationship ceases. This process change will become effective for consolidated billed accounts where a final 867 usage transaction has been issued with a bill window close date of **August 1, 2016 or thereafter**. In other words, any usage files that had a bill window close date prior to August 1st 2016 will follow the old process of being rebilled under the dual bill option.

The system enhancement for cancel/rebills processed after the customer-supplier relationship has terminated will not affect our current switch or "drop" to dual process for delinquent accounts. The customer will still be switched "dropped" from consolidated billing to dual billing when their balance reaches 120 days or more.

See below for further details.

Cancel / Rebill when supplier is no longer active supplier

Before August 1st 2016 (867 bill window close date)

PSE&G cannot provide consolidated billing for ESP's who are not supplier of record at the time the cancel/rebill is processed. The process for Cancel/ Rebill for an ESP who is not customer's current supplier of record is:

- PSE&G will cancel charges from 810(s) that correspond to the original 867(s) being canceled.
- Send 867(s) cancel
- Send 867(s) rebill noting that customer billing option is **DUAL**.
- PSE&G will issue an 820 and reduce a future payment by the amount of the canceled 810(s) (on the scheduled date of the 820).
- TPS must Dual bill customer for the rebilled 867(s).

On or After August 1st 2016 (867 bill window close date)*

PSE&G will implement a system enhancement that will allow the billing option to remain consolidated for a cancel/rebill processed after the customer-supplier relationship has terminated.

- PSE&G will cancel charges from 810(s) that correspond to the original 867(s) being canceled.
- Send 867(s) cancel
- Send 867(s) rebill noting that customer billing option is **CONSOLIDATED**.
- PSE&G will issue an 820 and reduce a future payment by the amount of the canceled 810(s) (on the scheduled date of the 820).
- TPS must send in 810 charges for the rebilled 867(s).
- PSE&G will issue an 820 for the amount of the 810(s) for the rebilled 867(s).

*Please note the new process is effective for consolidated billed accounts where a final 867 usage transaction has been issued with a bill window close date of August 1st 2016 or thereafter.

Net Meter Accounts

The net meter annual period will begin the month the customer is enrolled with a third party supplier.

The customer has a once in a lifetime option to change the anniversary month. If the customer chooses to exercise this option, PSE&G will advise the customer to contact their TPS to also advise the TPS of the new net metering anniversary date for their specific account. In addition, PSE&G will contact the TPS via email and advise them of the customer request.

PSE&G will provide the third party supplier the customer's IN usage, OUT usage, and NET usage in the EDI monthly or interval usage transaction. If the customer generates more usage (OUT usage) than consumed through the meter (IN usage) then the billable KWH sent to the supplier will be represented as "0" in the EDI usage file.

The third party supplier shall carry over excess KWH generated from monthly billing period to monthly billing period until the end of annualized period.

The third party supplier is responsible to true-up any excess KWH generated at the end of the annual period or at the time of drop, whichever comes first. See N.J.A.C. 14:8-4.2 for additional information.

Third-Party Supplier Inquiries

Customer Enrollment, Customer Billing and General Inquiries

PSE&G's Third Party Supplier Support Group is dedicated to answering questions from third-party suppliers and resolving problems related to but not limited to:

- **Doing business with PSE&G (including Supplier Activation)**
- **Customer enrollment**
- **Customer billing and remittance inquiries**
- **Optional services and products**
- **EDI problem resolution**
- **Capacity and transmission obligations**
- **Tariff implementation and interpretation**
- **TPS Operating Manual updates**

The Third Party Supplier Support Group will process all supplier questions via phone and e-mail relating to all matters – and will redirect inquiries as required to PSE&G's Energy Supply and Administration group or PSE&G's Energy Settlements group.

For TPS Support please call 1-800-664-4761 option # 1.

OR

E-mail TPS Support at TPSupplier@pseg.com

Please do not refer customers to TPS Support.

Please do not direct your questions to the service representatives at our Customer Inquiry Centers.

PSE&G's Energy Settlements group is available to handle your questions related to:

- **Allocation and Settlement of Energy, Capacity and Transmission Obligations**
- **Questions regarding load profiles**

For Energy Settlements send an email to Settlements@pseg.com

Fax: # 1-973-624-2891

Metering Services

Description of PSE&G's Interval Metering Services

In PSE&G's territory, all customers on electric rate schedules HTS and LPL-Primary have interval meters installed in their facilities. PSE&G has installed such meters for some customers on rate LPL-Secondary. These meters produce data in 15-minute or 30- minute intervals, depending on the customers' rate schedule. Other customers not on these rate schedules may also have interval meters installed for various operating reasons, and some of these meters may produce data in hourly intervals. If the interval data is used for billing purposes, settlement will be on actual usage. If the data is not used for billing, settlement will use load profile data. Based on current rules, customers need to call and request an application for interval metering services. The details of PSE&G's Metering options and policy can be found in section 9 of the PSE&G Tariff for Electric Service – Standard Terms and Conditions.

Customer Historical Interval Data Requests:

PSE&G will provide up to twenty four (24) months of historical interval usage, where available, when requested from a customer that has an interval meter installed. The historical interval usage data will be provided based on the measurement interval of the installed meter, and will be sent to the customer in an electronic format (Excel spreadsheet). . Such requests may be subject to a per meter charge of \$40.00 per request.

Customer Internet Access Where Public Service has an interval meter installed, Public Service will provide internet access to historical interval customer usage data on a next day basis for those customers who request and qualify for such service. The charge and requirements for this service are set forth in the Company's Tariff for Electric Service.

Establishing and Using Customer Load Profiles

What Is a Load Profile and how is it used?

A load profile is an estimate of how a customer uses energy each hour of the day. Profiles are used in the settlement process to determine the hourly usage of your customers, if those customers do not have hourly metering installed at their facilities. PSE&G will use one load profile per rate class, eight in total. Each load profile will be developed from hourly data collected from a statistically valid sample group of customers in each rate class. Profiles will be updated daily and will be available on PSE&G's internet site (<https://nj.myaccount.pseg.com/myservicepublic/energychoiceandthirdpartysuppliers/energychoicedocuments>).

PSE&G Load Profiling Methodology

PSE&G has implemented Dynamic Load Profiling for its established rate schedules. Dynamic Load Profiling requires that load research sample meters be read, data validated and load profiles produced daily. This is a “real-time” construction of a rate schedule load shape. This technique captures all of the factors (e.g... weather) that drive the shape of a load profile. It is PSE&G's intention to use these shapes for retail competition.

The dynamic load profiles are created by reading the load research meters each day for the active load research sample, and producing daily load shapes which reflect actual usage for that customer segment for the same day. Data collected for the sample today is used for settlement of today's load activity.

Load profiles for the unmetered rate classes such as traffic signals and streetlights are static. Because the load profiles for these rate classes are flat and vary seasonally by on- and off-time there is no need to directly meter these classes

A copy of the Load profiling methodology used for calculating energy obligations is included as Appendix C of the Third Party Supplier Agreement.

Customer to Profile Assignment:

Each customer is assigned to a load profile based on Rate Schedules according to their respective tariff. PSE&G does not utilize load profiles for customers with hourly meters.

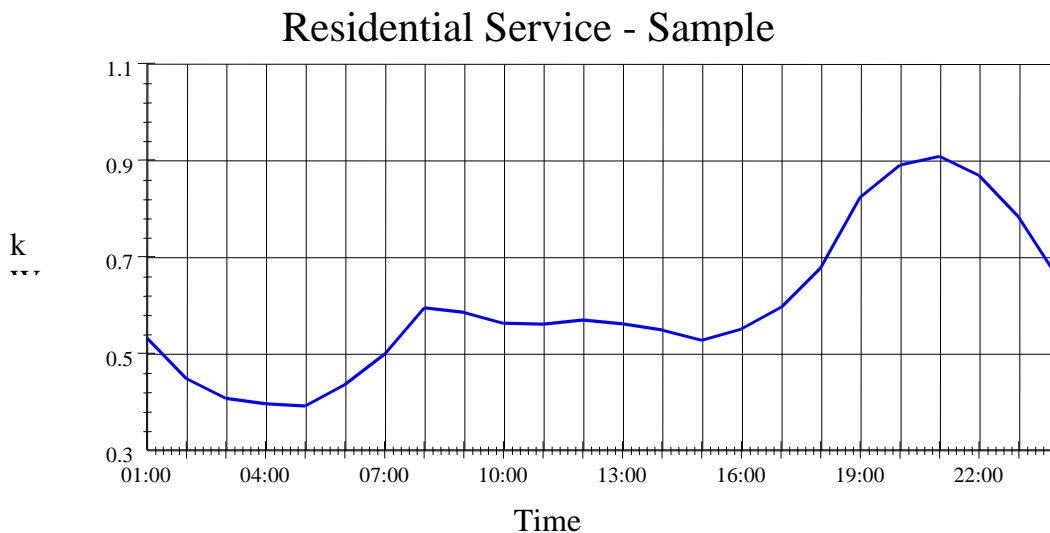
Profile Availability:

The Company will make available to the Supplier historical load research data by rate schedule. Profiles will be updated daily and will be available on the Energy Choice Documents for Third Party Suppliers section of PSEG's Internet site (<https://nj.myaccount.pseg.com/myservicepublic/energychoiceandthirdpartysuppliers/energychoicedocuments>).

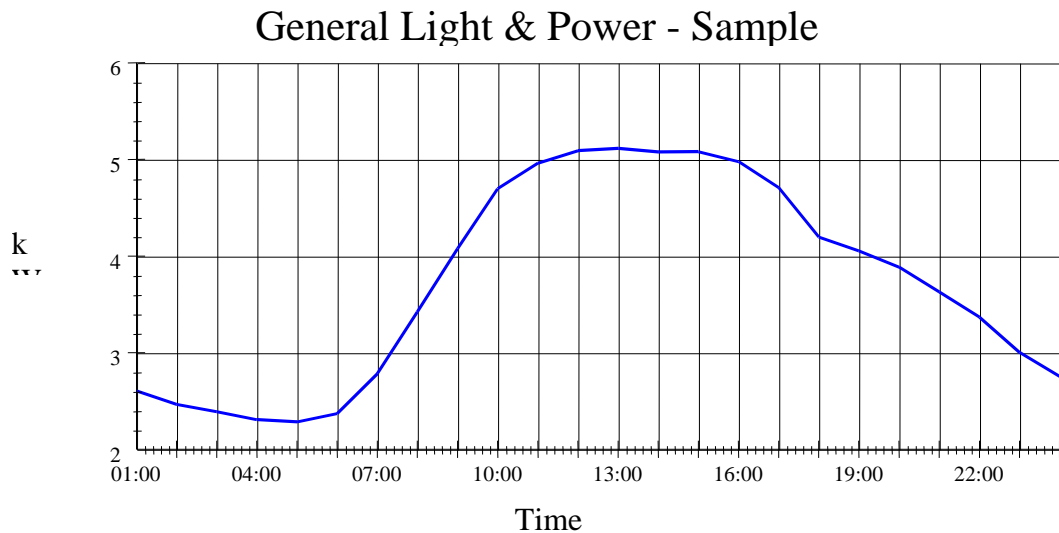
Sample Load Profiles

A sample residential and commercial load shape is presented expressed as average kW per customer. The residential load shape is for rate schedule, RS and the commercial load shape is for rate class, GLP. Both shapes represent sample data.

Residential Load Shape



Commercial Load Shape



PSE&G will make the following dynamic load profile data available to TPS' through PSEG.com on:

- Historical load profiles (for 12 months) are available through the Energy Choice Documents for Third Party Suppliers section of the company website.
- Daily dynamic load profile data by rate schedule will be updated and available on a daily basis.

Energy Supply Acquisition & Operations (ESA&O) Processes

Public website

PSE&G has established the Energy Choice and Third Party Suppliers section on <https://nj.myaccount.pseg.com/myservicepublic/energychoiceandthirdpartysuppliers>.

This site will provide TPS with information on the latest developments related to Electric Choice, including how to get started, scheduling and settlement information, and who to contact for answers to questions. This includes the TPS Application and Operating Manuals, as well as load profile information.

Capacity and Transmission Obligations

Settlements will report daily Capacity peak load allocations and Transmission obligations to PJM. The determination of the capacity and transmission obligations is described in the PSE&G Zone Capacity and Transmission Peak Loads and Obligation Information on the PSE&G website. PJM will convert the capacity peak allocations into obligations for each TPS. Every customer in the PSE&G service territory has its own Capacity allocation and Transmission obligation tag. The sum of these tags determines the value that is downloaded into PJM e-RPM for each TPS.

Load Estimation

The two days after the operating day, Settlements will develop and submit to PJM the “Day-After Estimate.” The “Day-After Estimate” is based on actual meter readings for interval metered customers, and utilizes the class-average load profile for each monthly-metered customer, all adjusted for losses. This “Day-After Estimate” is used in the Day-After Settlement with PJM, and is available via PJM InSchedule.

Reconciliation

The second portion of the settlement process occurs after all actual or estimated monthly and interval energy usage data have been processed for the day in question (approximately 45-60 days later). Load profile class load curves will be scaled to monthly-metered usage to derive an estimate for the hour-by-hour usage. Settlements will calculate the difference between the InSchedule submitted to PJM for Day-After Settlement and the results of the hourly and monthly meter readings (after applying load profiles and losses). Hourly differences (plus or minus) for the calendar month will be submitted to PJM within 60 days from the end of the given month. TPSs will rely on PJM to perform calculations to determine the monetary value of reconciliation quantities and

to bill and/or credit the TPS.

Losses:

Prior to submitting a Supplier’s customer(s) usage information to PJM, PSE&G will adjust the measured usage for transmission and distribution losses in the amount described in the Company’s current Tariff for Electric Service. The Company may also allocate other losses and/or loads to Suppliers at the time of submittal of the Day-After Estimate, or at 60 Day Reconciliation. Examples of these ‘other losses and/or loads’ include but are not limited to losses/loads attributed to the PSEG transmission zone by PJM, including EHV losses (i.e. 500 kV losses), inadvertent energy, meter corrections and other unaccounted for energy (UFE).

Invoicing

PSE&G will send an invoice when needed to reflect any charges – including charges for historical interval data. All payments will be made by ACH. Here are the payment instructions for a TPS:

Bank Name:	JP Morgan Chase Bank
Bank ABA:	021000021
Bank Account Number:	323866514
Name on Account:	Public Service Electric and Gas Company

Payments for historical interval data usage invoices should be submitted by check. Checks should be mailed to:

Public Service Electric and Gas
c/o Wells Fargo Bank
P.O. Box 18414
Newark, New Jersey 07191

PSE&G must receive written notification from the Supplier of an objection to an invoice

within twenty (20) days from due date of invoice in question. If the objection is not received within the 20-day window, the invoice shall be deemed conclusive and binding on the Supplier. If disputes arise regarding an invoice, the Supplier must pay the full disputed invoice.

If payment is made to the Company after the invoice due date, a late fee of 1.5% per calendar month will be added to the unpaid balance until the entire invoice is paid. Any payments owed to you will be made to the bank you specified during the enrollment process. It is important to keep this information up to date with us. Details about the invoice will be available via the private web site.

Failure to Pay

If a third-party supplier fails to make payment to PSE&G in accordance with the guidelines above, and there is no good faith dispute, a default will be deemed to exist if payment is not made within three (3) calendar days after you have been notified in writing by PSE&G. If a default does occur, PSE&G will pursue all appropriate remedies in accordance with Article 6 of the TPS Agreement.

Utilization of Scheduling Coordinators

The Third Party Supplier (TPS) must notify PSE&G of its intention to utilize a Scheduling Coordinator (SC) to schedule energy and submit capacity resources on its behalf. The TPS must complete a form, which will authorize the SC to act on its behalf. This form, called a Scheduling Coordinator Designation Form, will be made available to all TPS and is attached to the TPS Agreement as an Appendix. Pursuant to this form, the TPS will authorize the SC to act on its behalf for the TPS obligation as a Load Serving Entity, including transmission service, unforced capacity, import capability, load scheduling, and reconciliation rights and responsibilities. The TPS retains its responsibility to serve customer load. The authorization form must be signed and dated by a duly authorized representative of the TPS Company, with the representative's title also stated. The TPS is allowed to use only one SC for all its transactions with PSE&G.

Once the form is complete, the TPS must return it to PSE&G. Once it has been

received by PSE&G, a confirmation notice will be sent to the TPS acknowledging receipt of the form and stating the effective date the SC will be allowed to start its functions as provided by the Scheduling Coordinator Designation form and TPS Agreement.

If the TPS wants to terminate or change its SC, it can do so as provided by the TPS Agreement. The TPS must notify PSE&G of the change and must fill out a new Scheduling Coordinator Designation form for the replacement Scheduling Coordinator, in accordance with the TPSA. The above procedures will apply to the Replacement SC.

TPS Dispute Resolution

Internal Dispute Resolution Procedures: Any dispute between PSE&G and a Third Party Supplier arising under this Agreement shall be referred to a designated senior representative of each of the Parties for resolution on an informal basis as promptly as practicable.

PSE&G will assign its representative based on the specific process area in dispute.

Process Resolution

The Third Party Supplier shall notify PSE&G by writing to both Settlements and TPS Support the nature of the dispute, which must include, but needs not to be limited to:

- 1) Disputed amount
- 2) Date of occurrence
- 3) All appropriate documentation
- 4) TPS' senior representative who will handle the settlement process.

And mail to both

- ◆ Settlements, 80 Park Plaza T17, Newark, NJ 07102-4194.

Settlements@pseg.com

And

◆ Third Party Supplier Support, 24 Brown Avenue. Springfield, NJ 07081
TPSupplier@pseg.com

ATTACHMENT A

Standard Charges for Operational and Transactional Assistance

Defined in the Appendix of the Third Party Supplier Agreement.

ATTACHMENT B

EDI Survery

To print out form go to:

<https://nj.myaccount.pseg.com/myservicepublic/energychoicelandthirdpartysuppliers/energychoicedocuments>

Attachment C

Meter Reading Schedule

See:

ATTACHMENT D

GUARANTY

GUARANTY (this "Guaranty"), dated as of _____, made by _____ (the "Guarantor"), a corporation organized and existing under the laws of _____ in favor of Public Service Electric and Gas Company (the

“Guaranteed Party”), a corporation organized and existing under the laws of the State of New Jersey.

Guarantor enters into this Guaranty in consideration of, and as an inducement for Guaranteed Party having entered into or entering into PSE&G’s Third Party Supplier Agreement and/or the applicable, if any, FERC Electric or Gas Tariffs as dated therein and in effect as of the date hereof (collectively, the “Agreement”) with [Name] , a [State] corporation (the “TPS”), which may involve the extension of credit by the Guaranteed Party, hereby unconditionally and absolutely guarantees to PSE&G the prompt performance and/or payment within three (3) business days from the date when due, subject to any applicable grace period and upon demand in writing from PSE&G to the Guarantor’s [physical address] [Attention: contact name] of any and all amounts payable by the TPS to PSE&G arising out of the Agreement, and,

1. The Guarantor, as primary obligor and not merely as surety, hereby irrevocably and unconditionally guarantees the full and prompt performance and/or payment within three (3) business days from the date when due (whether by acceleration or otherwise) of the principal of and interest on any sums due and payable by the TPS under the Agreement(s) and of all other obligations and liabilities (including, without limitation, indemnities, fees and interest thereon) of the TPS out of or in connection with the Agreement(s) and the due performance and compliance with the terms of the Agreement(s) and any other documents, agreements, memoranda, contracts, or other writings executed in connection therewith (collectively, the “Documents”) by the TPS (all such principal, interest, obligations and liabilities, collectively, the “Guaranteed Obligations”). All payments and/or performance by the Guarantor under this Guaranty, to the extent owing to the Guaranteed Party, shall be made on the same basis as payments and/or performance by the TPS under the Agreement(s). This Guaranty is a guaranty of payment and/or performance and not of collection.

2. The Guarantor hereby waives notice of acceptance of this Guaranty and notice of any liability to which it may apply, and waives presentment and demand of payment and/or performance, protest, notice of dishonor or nonpayment or nonperformance of any such liability, suit or taking of other action by any Guaranteed Party against, and any other notice to, any party liable thereon (including the Guarantor or any other guarantor).

3. The Guaranteed Party may, at any time and from time to time, without the consent of the Guarantor, without incurring responsibility to the Guarantor and without impairing or releasing the obligations of the Guarantor hereunder, upon or without any terms or conditions, take or refrain from taking any and all actions with respect to the Guaranteed Obligations, any Document or any person (including the TPS) that the Guaranteed Party determines in its sole discretion to be necessary or appropriate.

4. The obligations of the Guarantor under this Guaranty are absolute and unconditional and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by: (i) any extension, renewal, settlement, compromise, waiver, discharge or release in respect of any Guaranteed Obligations of the TPS; (ii) the existence, or extent of, any release, exchange, surrender, non-perfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations; (iii) any modification, amendment, waiver, extension of or supplement to

any of the Agreement(s) or the Guaranteed Obligations agreed to from time to time by the TPS and the Guaranteed Party; (iv) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of the TPS or the Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceedings affecting the TPS or its assets, the Guarantor or any other guarantor of any of the Guaranteed Obligations; (v) the existence of any claim, set-off or other rights which the Guarantor may have at any time against the TPS, the Guaranteed Party or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim; (vi) the invalidity or unenforceability in whole or in part of the Agreement(s) or any Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit payment by the TPS of amounts to be paid by it under the Agreement(s) or any of the Guaranteed Obligations; and (vii) any other act or omission to act or delay of any kind of the TPS, any other guarantor, the Guaranteed Party or any other corporation or person or any other event, occurrence or circumstance whatsoever which might, but for the provisions of this paragraph constitute a legal or equitable discharge of the Guarantor's obligations hereunder.

5. The Guarantor hereby irrevocably waives (a) any right of reimbursement or contribution, and (b) any right of salvage against the TPS or any collateral security or guaranty or right of offset held by the Guaranteed Party therefore.

6. The Guarantor will not exercise any rights, which it may acquire by way of subrogation until all Guaranteed Obligations to Guaranteed Party have been paid in full.

7. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of the Guaranteed Party in exercising any right, power or privilege hereunder, and no course of dealing between the Guarantor and the Guaranteed Party, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights, powers and remedies herein expressly provided are cumulative and not exclusive of any rights, powers or remedies, which the Guaranteed Party would otherwise have. No notice to or demand on the Guarantor in any case shall entitle the Guarantor to any other or further notice of demand in similar or other circumstances or constitute a waiver of the rights of the Guaranteed Party to any other or further action in any circumstances without notice or demand.

8. This Guaranty shall be binding upon the Guarantor and upon its legal representatives, its successors and assigns and shall inure to the benefit of the Guaranteed Party and its successors and assigns; provided, however, that the Guarantor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Guaranteed Party. The assignment rights of the Guaranteed Party will be in accordance with the terms of the underlying Agreement(s).

9. Neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated except upon written agreement of the Guaranteed Party.

10. Guarantor agrees that its liability as guarantor shall continue and remain in full force and effect in the event that all or any part of any payment made hereunder or any obligation or liability guaranteed hereunder is recovered (as a fraudulent conveyance, preference or otherwise) rescinded or must otherwise be reinstated or returned due to bankruptcy or insolvency laws or otherwise.

11. All notices and other communications hereunder shall be made at the addresses by hand delivery (effective upon scheduled weekday delivery day) or telefacsimile (effective upon receipt of evidence, including telefacsimile evidence, that telefacsimile was received)

If to the Guarantor:

[To be completed]

If to the Guaranteed Party:

Public Service Electric and Gas Company
Attn: Manager - Energy Supply Administration
80 Park Plaza, T-18
Newark, NJ 07101
Phone: (973) 430-5860
Fax: (973) 624-2891

With a copy to:
Public Service Electric and Gas Company
Attn.: General Corporate Counsel
80 Park Plaza, T5B
Newark NJ 07101
Fax: (973) 642-5033

12. If claim is ever made upon the Guaranteed Party for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations and the Guaranteed Party repays all or part of such amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property, or (b) any settlement or compromise of any such claim effected by such payee with any such claimant (including the Guarantor), then and in such event the Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon it, notwithstanding any revocation hereof or the cancellation of the Agreement(s) or other instrument evidencing any liability of the Guarantor, and the Guarantor shall be and remain liable to the Guaranteed Party hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

13. Guarantor may terminate this Guaranty by providing written notice of such termination to Guaranteed Party and upon the effectiveness of such termination, Guarantor shall have no further liability except with respect to Guaranteed Obligations entered into prior to the time the termination is effective, which Guaranteed Obligations shall remain guaranteed pursuant to the terms of this Guaranty. No such termination shall be effective until thirty (30) days after receipt by Guaranteed Party of such termination notice.

14. Guarantor represents and warrants that: (i) it is duly organized and validly existing under the laws of the jurisdiction in which it was organized and has the power and authority to execute, deliver, and perform this Guaranty; (ii) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution, delivery and performance of this Guaranty; (iii) this Guaranty constitutes a valid and legally binding agreement of Guarantor, and is enforceable against Guarantor, except as the enforceability of this Guaranty may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally and by general principles of equity; and (iv) the execution, delivery and performance of this Guaranty by Guarantor have been and remain duly authorized by all necessary corporate action and do not contravene any provision of its Articles of Incorporation or by-laws or any law, regulation or contractual restriction binding on it or its assets.

15. This Guaranty and the rights and obligations of the TPS and the Guarantor hereunder shall be construed in accordance with and governed by the laws of the State of New Jersey.

16. This writing is the complete and exclusive statement of the terms of this Guaranty and supersedes all prior oral or written representations, understandings, and agreements between Guaranteed Party and Guarantor with respect to subject matter hereof. Guaranteed Party and Guarantor agree that there are no conditions to the full effectiveness of this Guaranty.

17. Every provision of this Guaranty is intended to be severable. If any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. This Guaranty may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

[GUARANTOR]

By: _____
Title:

Accepted and Agreed to:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

By: _____
Title:

Attachment E

Irrevocable Standby Letter of Credit

Beneficiary:

Public Service Electric and Gas Company
80 Park Plaza, T17
Newark, NJ 07101
Attn: Manager Energy Supply Administration

Date:

We hereby issue our irrevocable transferable standby letter of credit no” _____” in your favor for an aggregate amount of up to “US Dollars (\$_____USD)” by order of and for account of “(Applicant Name)”

Available for payment at our counters at “_____” against presentation of beneficiary’s draft at sight drawn on “(BANK NAME)” accompanied by the following documents:

A certificate purportedly signed by an authorized representative of Public Service Electric and Gas Company stating that:

1. “Payment in the amount of \$___ is due beneficiary from the account party. Payment has been demanded and not paid in accordance with the terms of that certain agreement(S) between Public Service Electric and Gas Company and the Account Party and/OR the Public Service Electric and Gas Company Tariff then in effect between the parties.”

OR

2. “Payment in the amount of \$___ (The entire undrawn amount of the letter of credit) is due beneficiary from the account party. Account party has failed to renew by amendment or furnish a new letter of credit or provide alternative security acceptable to the beneficiary at least thirty (30) business days prior to the expiry date of letter of credit No____.

OR

3. “Payment in the amount of \$__(the entire undrawn amount of the letter of credit) is due beneficiary from account party. The applicant is in default of the Third Party Supplier Agreement(s) between the applicant and the beneficiary dated_____.

Special Conditions:

Partial drawings are permitted.

Invoices presented in excess of the amount of this letter of credit are acceptable. However, in no event will the total value of the payments exceed the value of this letter of credit.

Faxed or telecopied document(s) are acceptable. Faxed drawings may be addressed to “(facsimile number)”, or to such other facsimile number that we shall advise you in a writing that references this standby letter of credit.

This letter of credit expires at our above office on “expiring date”. It is a condition of this letter of credit that it shall be deemed automatically extended without written amendment for one year periods from the present or any future expiry date unless at least sixty (60) days prior to such expiration date, we send the beneficiary notice at the above stated address by overnight courier that we elect not to extend this letter of credit beyond the initial or any extended expiry date.

Except as otherwise expressly stated herein, this standby letter of credit is subject to the uniform customs and practice for documentary credits (2007 revision), International Chamber of Commerce publication No. 600 (the “UCP”), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to articles 14(B), 16(D) and 36 of the UCP, in which case the terms of this letter of credit shall govern. Matters not covered by the UCP shall be governed and construed in accordance with the laws of the State of New York.

With respect to article 36 of the UCP, in the event of an act of God, riot, civil commotion, insurrection, war or by any strikes or lockouts or any other cause beyond our control that interrupts our business and causes the place for presentation of this letter of credit to be closed for business on the last day for presentation, the expiry date of this standby letter of credit will be automatically extended without amendment to a date thirty (30) business days after the place for presentation reopens for business.

This standby letter of credit is transferable in whole but not in part, and we hereby consent to such transfer provided, that the new beneficiary shall not be included on the list of blocked countries or the list of specially designated nationals and blocked persons published by the office of foreign assets control (FAC) of the U.S. Department of Treasury in effect at the time of the transfer, but otherwise may not be amended, changed or modified without the express written consent of the Beneficiary, the account party and us. However, not transfer shall be effective unless request for such transfer is received by us at our office located at (“Bank Address”), in conformity with the transfer provisions of the UCP 500 and accompanied by a duly executed transfer request substantially in the form of Annex A. Accompanied by the original of our standby letter of credit for endorsement.

With respect to articles 14(B) and 16(D) of the UCP, (“Bank Name”) shall have a reasonable time, not to exceed three (3) banking days following the day of receipt of the documents, to examine the documents and determine whether to take up or refuse the documents and to inform the party from which it received the documents accordingly.

We hereby engage with the beneficiary that documents drawn under and in compliance with the terms and conditions of this standby letter of credit will be duly honored by us upon presentation to ourselves.

Authorized Signature

ANNEX A

Transfer Form

Date: _____

TO: Bank Name
Bank Address

RE: Bank Name
Irrevocable Standby Letter of Credit No. _____

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to: (Name and address of transferee)

All rights of the undersigned beneficiary to draw under the letter of credit in its entirety.

By this transfer, all rights of the undersigned beneficiary in the letter of credit are transferred to the transferee and the Transferee shall have the sole rights as Beneficiary thereof, including sole rights relating to any amendments, whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the transferee without necessity of any consent of or notice to the undersigned Beneficiary.

This Letter of Credit is returned herewith, and we will ask you to endorse the transfer on the reverse thereof and forward it directly to the Transferee with your customary notice of transfer.

Yours Very Truly,

Company Name (Beneficiary)

name of Beneficiary's Bank

BY: _____
(Authorized Signature of Beneficiary)

BY: _____
(Name/Title of signer)

ATTACHMENT F

EDI Data Dictionary

<u>Code Number</u>	<u>Definition</u>
814	General request, response or confirmation
814E	Customer Enrollment
814C	Change (Meter #, Re-route)
814D	Drop (Customer drops TPS, changes TPS)
814R	Re-instatement (Customer dropped TPS inadvertently-wants to go back on)
814HU	Historical Usage
814ND	Advance Notice to Drop to Dual Billing
810	Invoice between TPS & PSE&G
867	Product transfer & resale report
867 HU	Actual Usage
867 MU	Meter Readings
867 IU	Interval Usage Document
820	Payment Order/Remittance Advice Informs TPS payment information
997	Acknowledgement Notifies TPS of accepted or failed documents
824	Notification Reason for notification determined by code sent with notification.
A13	Other
A76	Account not found
A84	Not supplier of record
A91	Service is not offered at customer's location
ABN	Duplicate request received
ANE	Account not eligible
ANL	Service provider not licensed to provide requested service
API	Information missing
C02	Customer is on credit hold
CMP	Customer locked with ESP
CRI	Bad cross-reference number
DDM	Dates Do Not Match
DIV	Date/time invalid or missing (customer contract effective date)
FRB	Incorrect billing option
FRC	Incorrect Bill Calculation Method
FRF	Bill type mismatch
IVL	SAC in R Loop
IVT	PID in R Loop
NCC	No current charges
NLI	Not Last In
OBW	Missed bill window
R50	Over 50 lines
R60	Over 60 characters
RBT	Over 60-Over50
RNA	Not Authorized
SUM	Charges not equal to total
008	Account exists but is not active

Glossary of EDI Terms

Attribute: Characteristic of data element or segment.

Mandatory (M): A data element/segment requirement designator, which indicates that the presence of a specified data element/segment is required.

Optional (O): A data element/segment requirement designator, which indicates that the presence of a specified data element/segment is at the option of the sending party or is based on the mutual agreement of the interchange parties.

Conditional (X): A data element/segment requirement designator, which indicates that the presence of a specified data element is dependent on the value or presence of other data elements in the segment.

Data Element: One or more characters that represent numeric or alphanumeric fields of data. A related group of elements make up a segment.

Data Element Separator: A special character used to separate elements in a segment.

Delimiter: A special character used to separate fields of data.

Document: A transaction set.

EDI Internet or Internet EDI: Refers to employing the Internet as the transportation mechanism when sending and receiving Electronic Data Interchange (EDI). In New Jersey also refers to Gas Industry Standards Board ("GISB") Electronic Delivery Mechanism (EDM).

EDI Translator: Computer software used to perform the conversion of application data to and from the X12 standard format.

EDM: Electronic Delivery Mechanism

Electronic Data Interchange (EDI): The computer application to computer application exchange of business information in a standard format.

EDI Standard/Format: A format for transmitting business documents between business entities in a non-proprietary environment.

Electronic Envelope: An electronic envelope consists of codes that mark the boundaries of electronic documents. The electronic envelope contains the EDI documents and sender/receiver information.

Electronic Mailbox: A term used to refer to the place where an EDI transmission is stored for pick-up or delivery when using a third party service system, such as a Value Added Network (VAN). A term used to refer to a Uniform Resource Locator (URL) when EDI Internet is employed as the EDI transmission mechanism.

Functional Acknowledgment: A transaction set (997) transmitted by the receiver of an EDI transmission to the sender, indicating receipt and syntactical acceptability of data transmitted according to the ASC X12 standards. The functional acknowledgment allows the receiving party to report back to the sending party any problems encountered by the syntax analyzer as the data is interpreted. It is not intended to serve as an acknowledgment of data content.

GISB: Gas Industry Standards Board utilizing Internet Transport Protocol

Industry Guideline: Defines the EDI environment for using conventions within an industry. It provides assistance on how to implement the X12 standard. The Utility Industry Group (UIG) establishes Industry Guidelines for the utility industry.

Interchange Control Structure: The interchange header and trailer segments envelope one or more functional groups or interchange related control segments and perform the following functions: (1) define the data element separators and the data segment terminators, (2) identify the sender and receiver, (3) provide control information for the interchange, and (4) allow for authorization and security information.

Internet EDI or EDI Internet: Refers to employing the Internet as the transportation mechanism when sending and receiving Electronic Data Interchange (EDI). In New Jersey also refers to Gas Industry Standards Board (“GISB”) Electronic Delivery Mechanism (EDM).

Mapping: The process of identifying the relationship of standard data elements to application data elements.

Qualifier: A data element that identifies or defines a related element, set of elements, or a segment. The qualifier contains a code taken from a list of approved codes.

Segment: A combination of related data elements in a specific sequence. A segment consists of a segment identifier, one or more data elements, each preceded by an element separator, and a segment terminator.

Segment Identifier: A unique identifier for a segment, composed of a combination of two or three uppercase letters and digits. The segment identifier occupies the first character position of the segment.

Segment Terminator: A unique character appearing at the end of a segment to indicate the termination of the segment.

Trading Partner: The sending and/or receiving party involved in the exchange of electronic data interchange transmissions.

Transaction Set: The EDI term for a business document, such as an invoice.

Transaction Set ID: A three digit numerical representation that identifies a transaction set.

Translation Software: Software that is used to translate EDI data to a corporate proprietary format and vice versa.

Version/Release: Identifies the edition of the standard being used for the generation or the interpretation of data in the X12 standard format.