

SERVICE CLASSIFICATION NO. 8

APPLICABLE TO USE OF SERVICE FOR:

This service is offered for the purpose of establishing the minimum price for off-tariff rate agreements between the Company and a commercial or industrial customer. With the exception of any Board-approved changes, the minimum price components contained herein are applicable until the Board of Public Utilities implements new standards for off-tariff rate agreements pursuant to P.L. 1995, c. 180.

CHARACTER OF SERVICE:

Continuous, 60 cycle, A.C., single or three phase secondary, at approximately 120/208, 120/240 volts, and 277/480 volts where available; or three phase primary at approximately 2400/4160 and 7620/13200 volts Wye, 13000 and 34500 volts Delta, 69000 volts Wye, and in limited areas 2400 or 4800 volts Delta, depending upon the magnitude and characteristics of the load and the circuit from which service is supplied.

MINIMUM PRICE DETERMINATION

The minimum electricity price contained in an off-tariff rate agreement executed in accordance with P.L. 1995, c. 180 and the Board of Public Utilities' Summary Decision and Order in the Matter of the Generic Proceeding to Consider and Implement Standards for Off-Tariff Rate Agreements Pursuant to P.L. 1995, c. 180, Docket No. EX95070320 dated October 27, 1995, must equal or exceed the sum of the following components:

A. Marginal Energy and Capacity Costs:

<u>Year</u>	<u>Energy ¢/kWh</u>	<u>Firm Capacity \$/kW</u>	<u>Interruptible Capacity \$/kW</u>
1997	2.46	39.44	19.72
1998	2.56	40.93	20.47
1999	2.83	42.37	21.19
2000	3.13	43.71	21.86
2001	3.42	45.12	22.56
2002	3.74	46.57	23.29
2003	4.16	48.06	24.03
2004	4.51	49.57	24.79
2005	4.85	51.13	25.57
2006	5.14	52.73	26.37

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ISSUED: March 3, 1997

EFFECTIVE: June 20, 1997

ISSUED BY: Larry S. Brodsky, President
Saddle River, New Jersey 07458

SERVICE CLASSIFICATION NO. 8 (Continued)

MINIMUM PRICE DETERMINATION: (Continued)

- B. Firm Marginal Transmission Cost - \$32.16 per kW
- Interruptible Marginal Transmission Cost - \$16.08 per kW

- C. Line Loss Factors to be Applied to A and B:

<u>Voltage Level</u>	<u>Line Loss Factor</u>
Transmission	1.028
Primary	1.095
Secondary	1.112

- D. Marginal Distribution Cost - To be determined on a customer-specific basis.

- E. Floor Margin: 0.3 ¢/kWh

- F. Per kWh charge for the recovery of Demand-Side Management Costs - These costs shall be revised consistent with the Company's Board-approved annual fuel cost adjustment.

<u>DSM Cost Component</u>	<u>Unit Cost ¢/kWh</u>
DSM Base Rate Recovery	0.1874
DSM Adjustment	(0.1696)
DSM Bidding Cost Adjustment	0.0922
Prior Period DSM	<u>(0.1519)</u>
Total	(0.0419)

- G. Per kWh Gross Receipts and Franchise Tax Charges:

A per kWh tax surcharge rate will be imposed on all sales of electricity as specified in the service classification rider "Unit Tax Rate Surcharge to Recover Gross Receipts and Franchise Taxes Levied by the State of New Jersey" contained in the General Information Section of the Company's tariff and summarized below.

(Continued)

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SERVICE CLASSIFICATION NO. 8 (Continued)

MINIMUM PRICE DETERMINATION: (Continued)

G. (Cont'd.)

Service Classification No. 2: (Tax Class ENR-5)

All Service Classification No. 2 Energy Charges, including Special Provision B, Space Heating, include a tax surcharge rate of 1.308 cents per kWh.

Service Classification No. 7: (Tax Class ENR-2)

Period I	All kWh @	0.930	¢/ kWh
Period II	All kWh @	0.930	¢/ kWh
Period III	All kWh @	0.930	¢/ kWh
Period IV	All kWh @	0.930	¢/ kWh

H.	Per Unit Manufactured Gas Plant Remediation Charge	N/A
	Per Unit Contribution to Nuclear Decommissioning	N/A

I. Per Unit Charges for Other Board-Approved Costs:

<u>Cost Description</u>	<u>Unit Charge</u> <u>¢/ kWh</u>
Stateline Settlement	(0.0158)
Harriman Settlement	0.1355
Walkill Settlement	0.2084
Misappropriated Funds - Base Rate Portion	<u>(0.0062)</u>
Total Per Unit Charge for Other Board-Approved Costs	0.3219

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