GENERAL INFORMATION

No. 28 BASIC GENERATION SERVICE ("BGS"): (Continued)

(D) BGS RECONCILIATION CHARGES

Separate BGS-FP and BGS-CIEP reconciliation charges shall be computed monthly and assessed on all BGS-FP and BGS-CIEP customers. The reconciliation charges shall recover the differences between amounts paid to BGS suppliers and BGS revenue for the preceding months for the applicable BGS supply. These charges include all applicable taxes and are charged on a monthly basis for all usage billed in the month indicated.

BGS-FP Reconciliation Charge ...................................................... (0.225) ¢/kWh

BGS-CIEP Reconciliation Charge .................................................. 1.775 ¢/kWh

In accordance with P.L. 1997, c. 192, the above charges include provision for the New Jersey Sales and Use Tax. When billed to customers exempt from this tax, as set forth in Rider SUT, such charges will be reduced by the relevant amount of such tax included therein.