

## **PSE&G Proposes \$888 Million in Infrastructure and Energy Efficiency Investments to Stimulate New Jersey's Economy and Create 1700 Jobs**

\$698 million to improve gas and electric infrastructure

\$190 million to advance energy conservation and reduce carbon emissions

NEWARK, N.J., Jan. 22 /PRNewswire-FirstCall/ -- Public Service Electric and Gas Company (PSE&G) today announced that it would make substantial investments in energy infrastructure and efficiency initiatives to create much-needed jobs and boost New Jersey's ailing economy.

In a filing with the New Jersey Board of Public Utilities, the state's largest utility is seeking approval to spend \$698 million in accelerated investments in electric and gas distribution system capital projects. A second filing seeks approval for the company to spend an additional \$190 million to encourage conservation and create green jobs. If approved, both initiatives would create nearly 1,700 jobs.

"PSE&G's proposals are in direct response to Gov. Jon Corzine's call for utilities to invigorate the economy as part of his Economic Assistance and Recovery Plan announced in October 2008," said Ralph LaRossa, PSE&G president and COO.

"The Governor has challenged utilities to do their part to make investments that will create jobs and help the state achieve its aggressive energy goals," he added. "PSE&G is already spending \$46 million to help customers conserve energy through its carbon abatement program. The proposals we filed today will expand these critical initiatives so that more customers can benefit. In addition, we are accelerating planned infrastructure investments to enable the company to continue to provide safe and reliable electric and gas service to our more than 2 million customers."

In these difficult financial times, accelerating capital investments will help improve the state's economy by stimulating the purchase of goods and services and creating new jobs. LaRossa said that the utility will make every attempt to use local suppliers and contractors for these programs, in addition to its own skilled workforce.

### Capital Infrastructure Investment Program

Under the \$698 million Capital Infrastructure Investment Program, the utility proposes to spend \$406 million in electric system capital improvements, and \$292 million in gas system investments during the next two years. The investment includes \$62 million for street light replacement and efficiency improvements at PSE&G facilities. These accelerated investments in the utility's electric and gas distribution systems will ensure that the company's systems, many of which are in mature communities, continue to provide safe and reliable service.

Among the proposed electric infrastructure investments are the replacement of aged underground cable facilities, network transformers and relays, and the upgrading of overhead wire, cable and transformers.

Gas infrastructure investments include replacing and reinforcing aging gas cast iron and bare steel mains and services, purchasing specialized construction equipment, and upgrading meter and regulator stations.

An additional project would replace less efficient mercury vapor municipal street lighting with more efficient induction fluorescent lighting and install efficiency improvements at PSE&G's facilities. These investments will provide employment opportunities for NJ contractors, equipment suppliers, retail establishments and material suppliers and will also lower costs for municipalities.

About 985 skilled jobs, including an estimated 720 contractor positions, would be created in New Jersey during the next two years from this accelerated capital investment. PSE&G proposes to recover the costs of the programs through an annual adjustment to electric and gas rates, which would not exceed 1 percent.

### Economic Energy Efficiency Stimulus Program

PSE&G proposes to spend an additional \$190 million during the next two years in an energy efficiency stimulus initiative that greatly expands an existing program, approved by the BPU last year, to provide energy and money saving measures directly to families and businesses.

Today's Economic Energy Efficiency Stimulus Program filing was made under New Jersey's Regional Greenhouse Gas Initiative (RGGI) legislation, which encourages utilities to invest in conservation and energy efficiency programs as part of its regulated business.

The new expanded energy efficiency initiative offers programs for various targeted customer segments. Sub-programs for residential homes and small businesses in Urban Enterprise Zone municipalities, multi-family buildings, hospitals, data centers and governmental entities provides audits at no cost to identify energy efficiency measures. Customers could be eligible for incentives toward the installation of the energy efficiency measures.

Other components of the stimulus include a program that provides funding for new technologies and demonstration projects, and a program to encourage non-residential customers to reduce energy use through improvements in the operation and maintenance of facilities.

Implementation of the efficiency program will result in the creation of about 700 new jobs. In addition, the program will lower consumers' energy bills, address global warming, and assist the state in achieving its aggressive energy reduction goals.

PSE&G has requested that the BPU approve both the infrastructure and energy efficiency filings by April 1, 2009. The projects will be implemented shortly after the approvals.

*Public Service Electric and Gas Company (PSE&G) is New Jersey's oldest and largest regulated gas and electric delivery utility, serving nearly three-quarters of the State's population. PSE&G is the winner of the ReliabilityOne Award for superior electric system reliability. PSE&G is a subsidiary of Public Service Enterprise Group Incorporated (PSEG) (NYSE: PEG), a diversified energy company ([www.pseg.com](http://www.pseg.com)).*

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