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Washington Service Bureau, Inc.	
Letter:	Public Service Elec & Gas
WSB Division #:	33-K-144
File # within division:	491
Letter also listed in file guide under division(s):	—
Availability date:	9-24-76

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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AUG 24 1976

S. Allen Craft, Esquire
General Counsel
Public Service Electric & Gas Company
80 Park Place
Newark, New Jersey 07101

Act	33
Section	4(1)
Rule	144 (d) (1); (2)(3)
Public	9-24-76

Re: Public Service Electric and Gas Company

Dear Mr. Craft:

This is in response to your letter of August 11, 1976 in which you request our advice as to the applicability of the registration requirements of the Securities Act of 1933 (the "Securities Act") to an employee stock ownership plan (the "Plan") which Public Service Electric and Gas Company ("PSE&G") proposes to adopt about September 8, 1976 retroactive to January 1, 1975.

The facts, as more fully set forth in your letter and exhibits, are as follows. PSE&G is a public utility engaged principally in the production of electricity and the purchase and sale of electricity and natural gas in New Jersey. PSE&G's Common Stock is listed on the New York Stock Exchange.

It is intended that the Plan and its trust will be qualified under Sections 401(a) and 501(a) of the Internal Revenue Code and Section 301(d) of the Tax Reduction Act of 1975. If the Plan fails to so qualify, it shall be deemed terminated and the trust fund returned to PSE&G.

PSE&G will contribute cash to the Plan. The Trustee, First Jersey National Bank which is not affiliated with PSE&G, will use such cash and any distributions on stock held by the Plan to purchase PSE&G Common Stock on the open market. The stock acquired under the Plan will be allocated to the account of each eligible employee of PSE&G and its participating subsidiaries in proportion to his total compensation (up to a maximum of \$100,000) during the year. No contributions to the Plan are permitted by employees.