

Q3 2019 Performance Update

NYSE: PEG

PSEG delivered solid operating performance for the third quarter, and posted financial results that benefited from PSE&G's ongoing investment in New Jersey's energy infrastructure. PSEG reported Net Income in the third quarter of 2019 of \$403 million, or \$0.79 per share, as compared to Net Income of \$412 million, or \$0.81 per share, for the third quarter 2018. Non-GAAP Operating Earnings for the third quarter of 2019 were \$495 million, or \$0.98 per share, compared to non-GAAP Operating Earnings for the third quarter 2018 of \$481 million, or \$0.95 per share. We are narrowing our forecast of full-year, non-GAAP Operating Earnings to \$3.20 to \$3.30 per share from the prior \$3.15 to \$3.35 per share, affirming the mid-point of 2019 full-year guidance, and updating the contribution ranges from PSE&G and PSEG Power to reflect our financial results through the first three quarters of the year.

In September, the New Jersey Board of Public Utilities approved PSE&G's Energy Strong II settlement that authorizes continued investment in electric and gas system reliability and resiliency improvements over the next four years. We continue to pursue PSE&G's Clean Energy Future filing to bring the benefits of energy efficiency, electric vehicles, energy storage and advanced metering infrastructure at scale to our entire customer base, consistent with Governor Murphy's clean energy goals. PSE&G remains on track to invest \$2.7 billion in infrastructure upgrades to its transmission and distribution system in 2019. The forecast to direct over 90% of PSEG's \$13 to \$15.5 billion of planned capital investment to the regulated business over the next five years remains intact, as does PSE&G's compound annual growth in rate base of 7.5% to 8.5%, starting from \$19 billion at year-end 2018.

PSEG Power closed on the sale of its interests in the Keystone and Conemaugh generating units during the quarter. The sale continues the elimination of coal from PSEG Power's fuel mix by mid-2021, when we will retire our only remaining coal unit at Bridgeport Harbor. In the last five years, PSEG Power has retired early or sold about 2,400 megawatts of coal-fired generation, which has reduced the carbon intensity of what was already a low carbon fleet.

Earlier this week, PSEG exercised an option on Ørsted's Ocean Wind project, resulting in a period of exclusive negotiation for PSEG to potentially acquire a 25% equity interest in the project, subject to negotiations toward a joint venture agreement, advanced due diligence and any required regulatory approvals. The Ocean Wind project was the winner of New Jersey's recent offshore wind solicitation, and is an important part of Governor Murphy's clean energy agenda. The project, scheduled to come on-line in 2024, will be located off the coast of Atlantic City.

A higher percentage of non-GAAP Operating Earnings contribution from PSE&G, which is approximately 75%, is offsetting challenging market conditions in the power and natural gas markets, and PSEG Power will see its free cash flow improve this year with BH5 commercial operation. We continue to expect to fully fund PSEG's existing five-year \$13 to \$15.5 billion capital investment program over the 2019 to 2023 period without the need to issue equity.

Ralph Izzo, Chairman, President & CEO - October 31, 2019

PSEG – Q3 2019

Third Quarter Highlights

- Net Income per share of \$0.79 in Q3 2019 vs. \$0.81 in Q3 2018
- Non-GAAP Operating Earnings* per share of \$0.98 in Q3 2019 vs. \$0.95 in Q3 2018
- PSE&G results benefited from increased investment in utility infrastructure and rate relief
- PSEG Power results impacted by lower capacity revenues partly offset by Zero Emission Certificate revenues

Operational Excellence

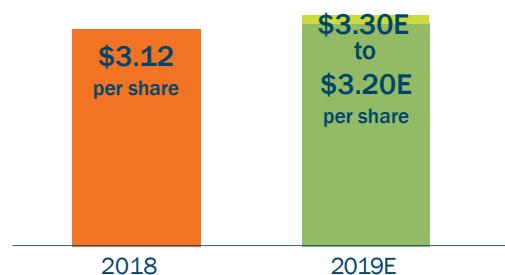
- Nuclear achieved a capacity factor of 91% for Q3 and YTD 2019

Disciplined Capital Investment

- PSEG on track to invest ~\$3.1 billion in 2019; \$2.7 billion at PSE&G
- Clean Energy Future - Energy Efficiency procedural schedule extended
- Completed sale of PSEG Power's ownership interest in Keystone and Conemaugh, continuing path to complete exit of coal units from Power's fleet
- PSEG exercised an option to potentially acquire a 25% equity interest in Ørsted's 1,100 MW Ocean Wind project, subject to advanced due diligence and negotiations toward a JV agreement

PSEG – Updating 2019 Full-Year Guidance

Non-GAAP Operating Earnings* and 2019 Guidance



Subsidiary contributions adjusted to reflect an increased contribution from PSE&G, balancing lower expected results at PSEG Power

Q3 Results by Subsidiary

	Financial Results		Earnings per Share (EPS)	
	2019	2018	2019	2018
\$ millions (except EPS)				
PSE&G (Net Income)	\$ 344	\$ 278	\$ 0.68	\$ 0.54
PSEG Power (Net Income)	\$ 53	\$ 125	\$ 0.10	\$ 0.25
PSEG Power (non-GAAP Op. Earnings)*	\$ 145	\$ 194	\$ 0.29	\$ 0.39
PSEG Enterprise/Other (Net Income)	\$ 6	\$ 9	\$ 0.01	\$ 0.02
PSEG (Net Income)	\$ 403	\$ 412	\$ 0.79	\$ 0.81
PSEG (non-GAAP Operating Earnings)*	\$ 495	\$ 481	\$ 0.98	\$ 0.95

Key Performance Highlights

as of 9/30/2019	
Stock Price on 9/30/2019	\$62.08
Dividends Paid per Share (year-to-date)	\$1.41
Dividend Yield (%)	3.0%
Average Shares Outstanding, Diluted (in millions)	507
Book Value Per Common Share	\$29.62

* See Items excluded from Net Income to reconcile to non-GAAP Operating Earnings on page 2 or <https://investor.pseg.com/non-gaap>

GAAP Disclaimer

Non-GAAP Operating Earnings exclude the impact of returns (losses) associated with the Nuclear Decommissioning Trust (NDT), Mark-to-Market (MTM) accounting and material one-time items.

Management uses non-GAAP Operating Earnings in its internal analysis, and in communications with investors and analysts, as a consistent measure for comparing PSEG's financial performance to previous financial results. The presentation of non-GAAP Operating Earnings is intended to complement, and should not be considered an alternative to, the presentation of Net Income, which is an indicator of financial performance determined in accordance with GAAP. In addition, non-GAAP Operating Earnings as presented in this release may not be comparable to similarly titled measures used by other companies.

Due to the forward looking nature of non-GAAP Operating Earnings guidance, PSEG is unable to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measure. Management is unable to project certain reconciling items, in particular MTM and NDT gains (losses), for future periods due to market volatility. Guidance included herein is as of October 31, 2019.

These materials and other financial releases can be found on the PSEG website at <https://investor.pseg.com>. From time to time, PSEG, PSE&G and PSEG Power release important information via postings on their corporate website at <https://investor.pseg.com>. Investors and other interested parties are encouraged to visit the corporate website to review new postings. The "Email Alerts" link at <https://investor.pseg.com> may be used to enroll to receive automatic email alerts.

Items Excluded from Net Income to Reconcile to Non-GAAP Operating Earnings

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED Consolidated Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended September 30,		Year Ended December 31,
	2019	2018	2018
(\$ millions, Unaudited)			
Net Income	\$ 403	\$ 412	\$ 1,438
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax (PSEG Power)	4	(43)	144
(Gain) Loss on Mark-to-Market (MTM), pre-tax ^(a) (PSEG Power)	121	133	117
Plant Retirements and Dispositions, pre-tax (PSEG Power)	7	-	(51)
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	8
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	(40)	(21)	(74)
Operating Earnings (non-GAAP)	<u>\$ 495</u>	<u>\$ 481</u>	<u>\$ 1,582</u>
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507
(\$ Per Share Impact - Diluted, Unaudited)			
Net Income	\$ 0.79	\$ 0.81	\$ 2.83
(Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power)	0.01	(0.08)	0.28
(Gain) Loss on MTM, pre-tax ^(a) (PSEG Power)	0.24	0.26	0.23
Plant Retirements and Dispositions, pre-tax (PSEG Power)	0.01	-	(0.10)
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	0.02
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	(0.07)	(0.04)	(0.14)
Operating Earnings (non-GAAP)	<u>\$ 0.98</u>	<u>\$ 0.95</u>	<u>\$ 3.12</u>

(a) Includes the financial impact from positions with forward delivery months.

(b) Income tax effect calculated at the statutory rate except for lease related activity which is calculated at a combined leveraged lease effective tax rate and NDT related activity which is calculated at the statutory rate plus a 20% tax on income (losses) from qualified NDT funds.

PSEG Power Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended September 30,		Year Ended December 31,
	2019	2018	2018
(\$ millions, Unaudited)			
Net Income	\$ 53	\$ 125	\$ 365
(Gain) Loss on NDT Fund Related Activity, pre-tax	4	(43)	144
(Gain) Loss on MTM, pre-tax ^(a)	121	133	117
Plant Retirements and Dispositions, pre-tax	7	-	(51)
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	(40)	(21)	(73)
Operating Earnings (non-GAAP)	<u>\$ 145</u>	<u>\$ 194</u>	<u>\$ 502</u>
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507

(a) Includes the financial impact from positions with forward delivery months.

(b) Income tax effect calculated at the statutory rate except for NDT related activity which is calculated at the statutory rate plus a 20% tax on income (losses) from qualified NDT funds.

PSEG Enterprise/Other Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended September 30,		Year Ended December 31,
	2019	2018	2018
(\$ millions, Unaudited)			
Net Income	\$ 6	\$ 9	\$ 6
Lease Related Activity, pre-tax	-	-	8
Income Taxes related to Lease related activity ^(a)	-	-	(1)
Operating Earnings (non-GAAP)	<u>\$ 6</u>	<u>\$ 9</u>	<u>\$ 13</u>
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507

(a) Income tax effect calculated at a combined leveraged lease effective tax rate.