PSEG Investor Summary

MIZUHO • US UTILITY CORPORATE DAY
MARCH 15-16, 2018

PSEG
We make things work for you.

We have the
energy
to make things better
... for you, for our investors
and for our stakeholders.

Forward-Looking Statements

Certain of the matters discussed in this presentation about our and our subsidiaries' future performance, including, without limitation, future revenues, earnings, strategies, prospects, consequences and all other statements that are not purely historical constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. When used herein, the words "anticipate," "intend," "estimate," "believe," "expect," "plan," "should," "hypothetical," "potential," "forecast," "project," variations of such words and similar expressions are intended to identify forward-looking statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Other factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed in filings we make with the United States Securities and Exchange Commission (SEC) including our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K. These factors include, but are not limited to:

- fluctuations in wholesale power and natural gas markets, including the potential impacts on the economic viability of our generation units;
- our ability to obtain adequate fuel supply;
- any inability to manage our energy obligations with available supply;
- increases in competition in wholesale energy and capacity markets;
- changes in technology related to energy generation, distribution and consumption and customer usage patterns;
- economic downturns;
- third party credit risk relating to our sale of generation output and purchase of fuel;
- adverse performance of our decommissioning and defined benefit plan trust fund investments and changes in funding requirements;
- changes in state and federal legislation and regulations;
- the impact of pending rate case proceedings;
- regulatory, financial, environmental, health and safety risks associated with our ownership and operation of nuclear facilities;
- adverse changes in energy industry laws, policies and regulations, including market structures and transmission planning;
- changes in federal and state environmental regulations and enforcement;
- delays in receipt of, or an inability to receive, necessary licenses and permits;
- adverse outcomes of any legal, regulatory or other proceeding, settlement, investigation or claim applicable to us and/or the energy industry;
- changes in tax laws and regulations;
- the impact of our holding company structure on our ability to meet our corporate funding needs, service debt and pay dividends;
- lack of growth or slower growth in the number of customers or changes in customer demand;
- any inability of Power to meet its commitments under forward sale obligations;
- reliance on transmission facilities that we do not own or control and the impact on our ability to maintain adequate transmission capacity;
- any inability to successfully develop or construct generation, transmission and distribution projects;
- any equipment failures, accidents, severe weather events or other incidents that impact our ability to provide safe and reliable service to our customers;
- our inability to exercise control over the operations of generation facilities in which we do not maintain a controlling interest;
- any inability to recover the carrying amount of our long-lived assets and leveraged leases;
- any inability to maintain sufficient liquidity;
- any inability to realize anticipated tax benefits or retain tax credits;
- challenges associated with recruitment and/or retention of key executives and a qualified workforce;
- the impact of our covenants in our debt instruments on our operations; and
- the impact of acts of terrorism, cybersecurity attacks or intrusions.

All of the forward-looking statements made in this presentation are qualified by these cautionary statements and we cannot assure you that the results or developments anticipated by management will be realized or even if realized, will have the expected consequences to, or effects on, us or our business, prospects, financial condition, results of operations or cash flows. Readers are cautioned not to place undue reliance on these forward-looking statements in making any investment decision. Forward-looking statements made in this presentation apply only as of the date of this presentation. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even in light of new information or future events, unless otherwise required by applicable securities laws.

The forward-looking statements contained in this presentation are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

GAAP Disclaimer

PSEG presents Operating Earnings and Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) in addition to its Net Income reported in accordance with accounting principles generally accepted in the United States (GAAP). Operating Earnings and Adjusted EBITDA are non-GAAP financial measures that differ from Net Income. 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. Non-GAAP Adjusted EBITDA excludes the same items as our non-GAAP Operating Earnings measure as well as income tax expense, interest expense and depreciation and amortization. The last three slides in this presentation (Slides A, B and C) include a list of items excluded from Net Income/(Loss) to reconcile to non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA with a reference to those slides included on each of the slides where the non-GAAP information appears.

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. Management believes non-GAAP Adjusted EBITDA is useful to investors and other users of our financial statements in evaluating operating performance because it provides them with an additional tool to compare business performance across companies and across periods. Management also believes that non-GAAP Adjusted EBITDA is widely used by investors to measure operating performance without regard to items such as income tax expense, interest expense and depreciation and amortization, which can vary substantially from company to company depending upon, among other things, the book value of assets, capital structure and whether assets were constructed or acquired. Non-GAAP Adjusted EBITDA also allows investors and other users to assess the underlying financial performance of our fleet before management's decision to deploy capital. The presentation of non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA 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 and non-GAAP Adjusted EBITDA 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 and non-GAAP Adjusted EBITDA 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 February 23, 2018.

These materials and other financial releases can be found on the PSEG website at www.pseg.com, under the Investors tab. From time to time, PSEG, PSE&G and PSEG Power release important information via postings on their corporate website at http://investor.pseg.com. Investors and other interested parties are encouraged to visit the corporate website to review new postings. The "email alerts" link at http://investor.pseg.com may be used to enroll to receive automatic email alerts and/or really simple syndication (RSS) feeds regarding new postings at http://investor.pseg.com/rss

PSEG STRATEGY: GROWING A HIGH-QUALITY, FINANCIALLY SOUND ENERGY INFRASTRUCTURE COMPANY

Ralph Izzo

CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Dan Cregg

EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Kathleen Lally

VICE PRESIDENT INVESTOR RELATIONS

PSEG

We make things work for you.

PSEG Strategy - Delivering Value

Operational Excellence: Improving reliability and customer service as we control costs in a low price environment

Financial Strength: Strong financial position supports investment program

Disciplined Investment:

- Program focused on achieving objectives through infrastructure investment that meets customer and shareholder needs
- Robust pipeline of opportunities

Results:

- Double digit growth in rate base and net income at PSE&G
- Reconfiguration of Power's generating fleet: higher quality, more efficient
- Annual growth in common dividend
- Strong credit metrics



Two strong businesses

A stable platform, each with growth opportunities

PSEG

PSE&G

Electric & Gas Delivery and Transmission

Strategy: Investments aligned with public policy and customer needs

Value Proposition: A $11.5 - $13.2 billion infrastructure program with opportunities to expand, producing 7% - 9% annual rate base growth through 2022

2017

Assets $29B
Net Income $973M
Non-GAAP Operating Earnings* $963M

PSEG Power LLC

Regional Competitive Generation

Strategy: Investment program enhances competitive position with addition of efficient, clean, reliable CCGT capacity

Value Proposition: Provides substantial free cash flow and upside from market rule improvements

2017

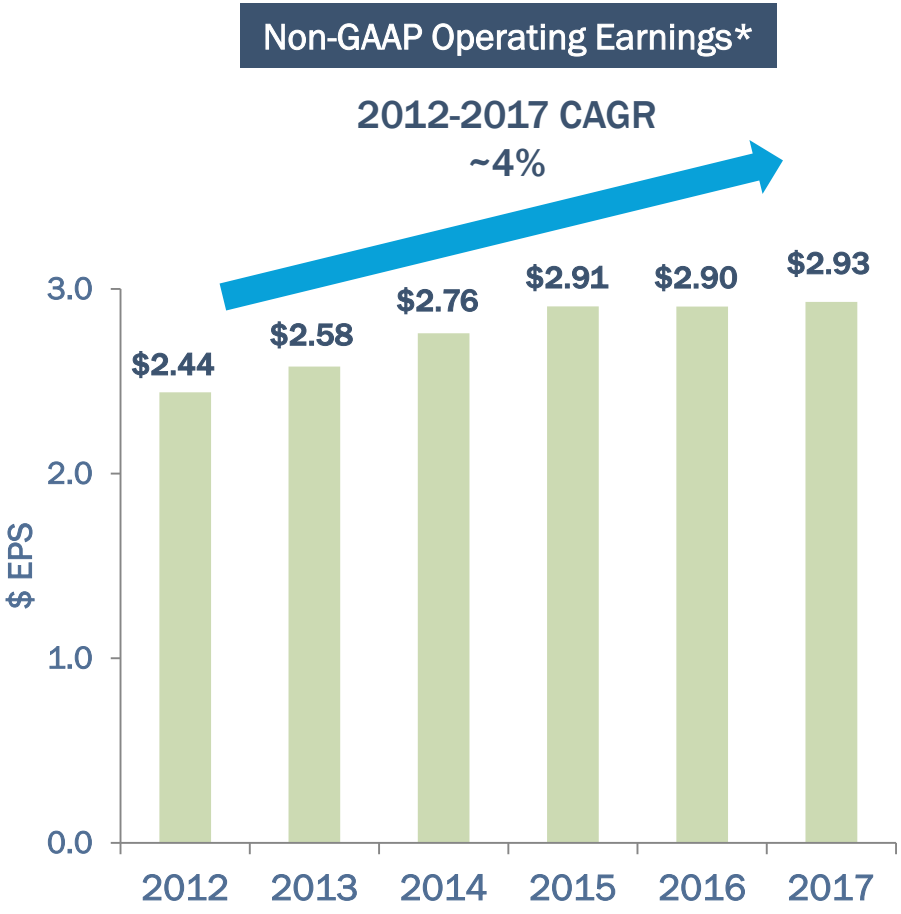
Assets $12B
Net Income $479M
Non-GAAP Operating Earnings* $505M

ASSETS AND NET INCOME ARE FOR THE YEAR ENDED 12/31/2017. PSE&G AND POWER DO NOT ADD TO TOTAL DUE TO ENTERPRISE / OTHER ACTIVITY. *SEE SLIDE A FOR A RECONCILIATION OF NET INCOME TO NON-GAAP OPERATING EARNINGS, SLIDE B FOR RECONCILIATIONS FOR PSE&G AND PSEG POWER, AND SLIDE C FOR ENTERPRISE/OTHER.

Delivering on commitments and realizing growth

Operational Excellence	• PSE&G: 16 consecutive years of recognition as the most reliable utility in the Mid-Atlantic region • PSEG Power: Improved nuclear capacity factors to ~94% in 2017; Fleet moving towards improved efficiency and environmental position • PSEG Long Island: Improved customer service and reliability while managing costs • PSEG: Maintaining focus on efficiency, resiliency and customer satisfaction
Financial Strength	• Non-GAAP Operating Earnings for 2017 exceeded the mid-point of guidance range • Cash flows and business mix support strong credit ratings and ability to fully fund robust investment pipeline without issuing new equity • PSEG is a net beneficiary of recent tax legislation • Increased dividend in February 2018 – 14th increase in last 15 years
Disciplined Investment	• PSE&G capital program drives continued rate base growth over the 5-year period (2018-2022) with investments in Transmission, Electric and Gas distribution, Gas System Modernization Programs (GSMP), Energy Strong and Clean Energy • Power capital program, focused on completing construction at Keys, Sewaren and Bridgeport Harbor, will improve fleet efficiency and geographic diversity

Focus on earning our cost of capital has provided for growth in operating earnings* and dividends





*SEE SLIDE A FOR ITEMS EXCLUDED FROM NET INCOME TO RECONCILE TO NON-GAAP OPERATING EARNINGS.

PSEG Policy and Regulatory focus

on mechanisms that provide customers with clean, affordable, resilient energy supply

NJ Distribution Base Rate Proceeding

- Requested ~1% increase in revenue primarily to recover investments, partially offset by benefits related to tax reform

Long-Term Infrastructure Investment Platform

- BPU approved policy providing for constructive investment recovery mechanism encouraging investment in long-term infrastructure

Preserve the Value of Nuclear Supply

- Pursuing legislative strategy that recognizes the value of nuclear energy under terms and conditions that are affordable for customers and provide the proper incentives for long-term operation

Ensure Federal Regulatory and Policy Framework

- Advocate for rules that preserve benefits of competitive markets while also recognizing the value of clean energy, supply diversity and grid reliability

PUBLIC SERVICE ELECTRIC & GAS



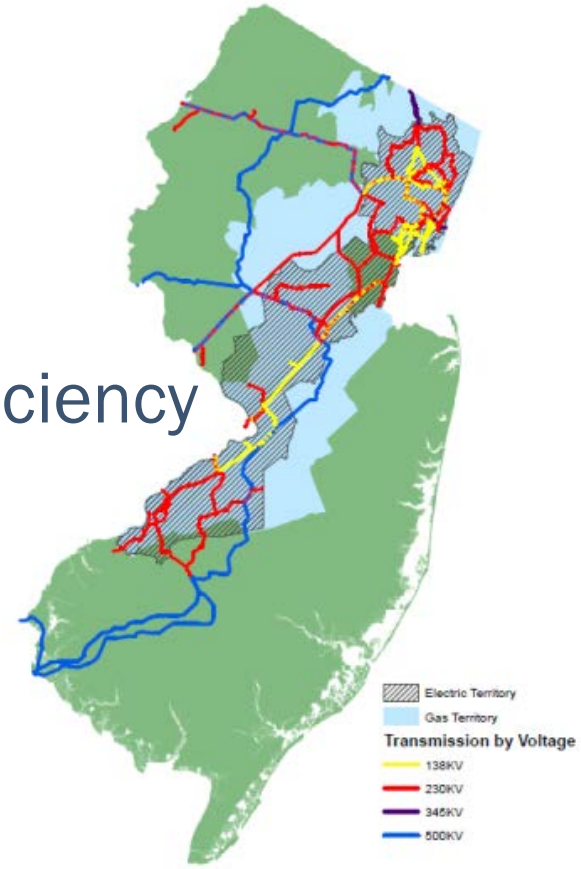
PSEG

We make things work for you.

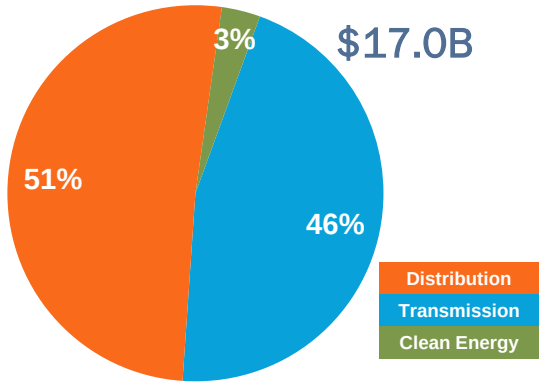
PSE&G – New Jersey's largest:

- Electric and Gas Distribution utility
- Transmission business
- Investor in renewables and energy efficiency
- Appliance service provider

	Electric	Gas
Customers Growth (2013 – 2017)	2.2 Million 0.6%	1.8 Million 0.6%
2017 Electric and Gas Sales	40,740 GWh	2,397M Therms*
Sales Mix (2017)		
Residential	32%	59%
Commercial	58%	37%
Industrial	10%	4%

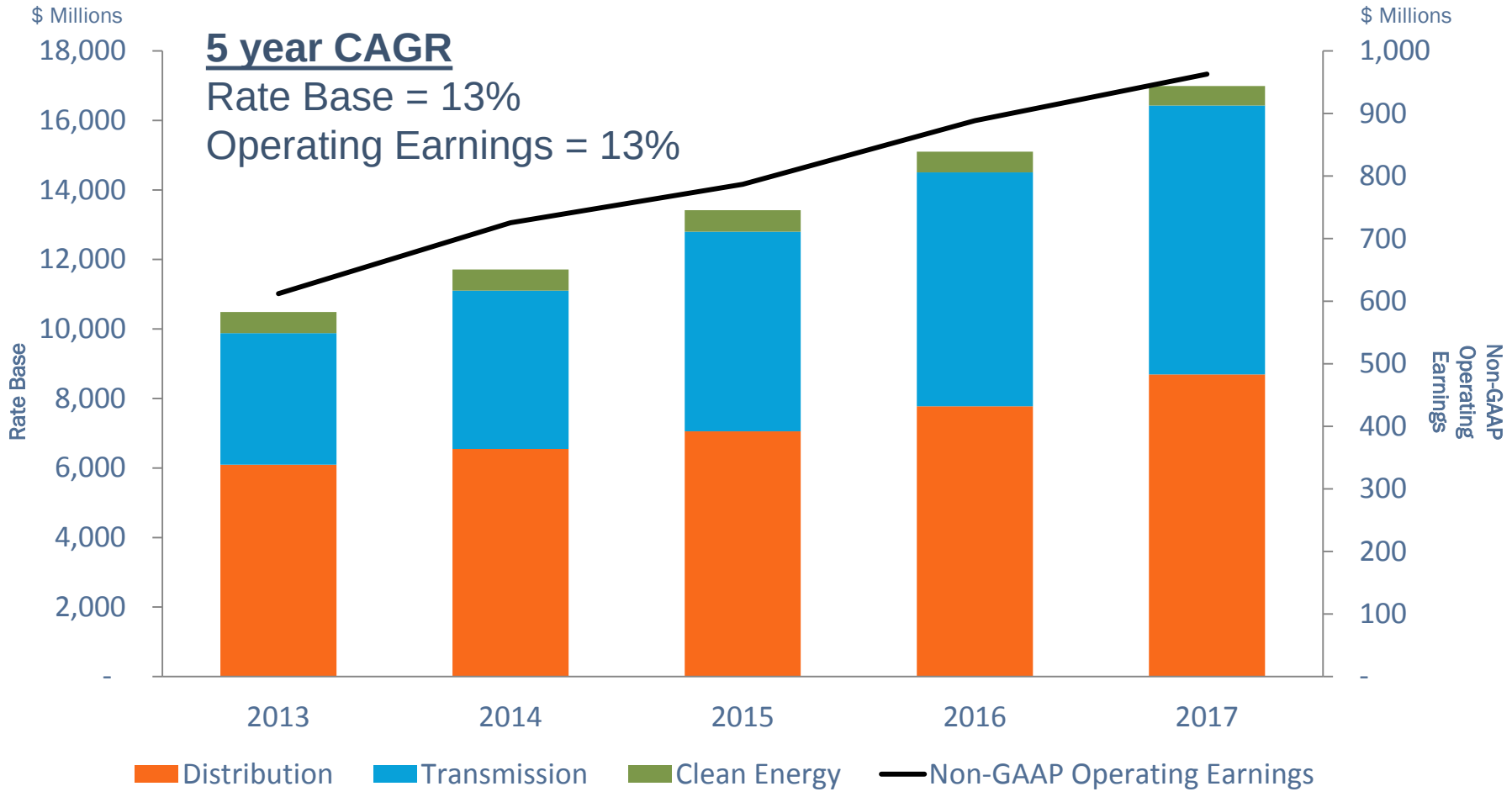


PSE&G 2017 Rate Base



* GAS FIRM SALES ONLY.

PSE&G Investment – Delivering growth



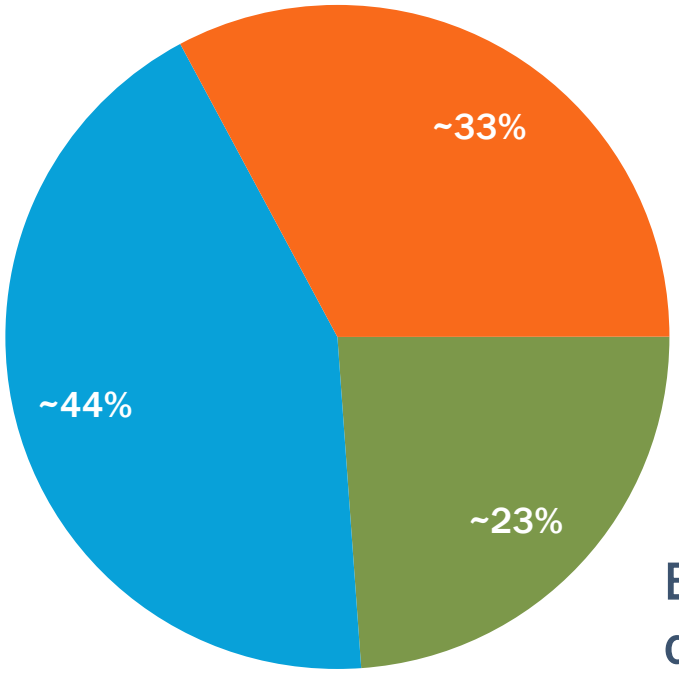
- Our rate base is roughly balanced between federal and state jurisdictions
- Non-GAAP operating earnings growth aligned with rate base growth

Developing investment opportunities

with near-contemporaneous recovery mechanisms

2018-2022E PSE&G Capital with Program extensions by Recovery Method

$11.5B - $13.2B



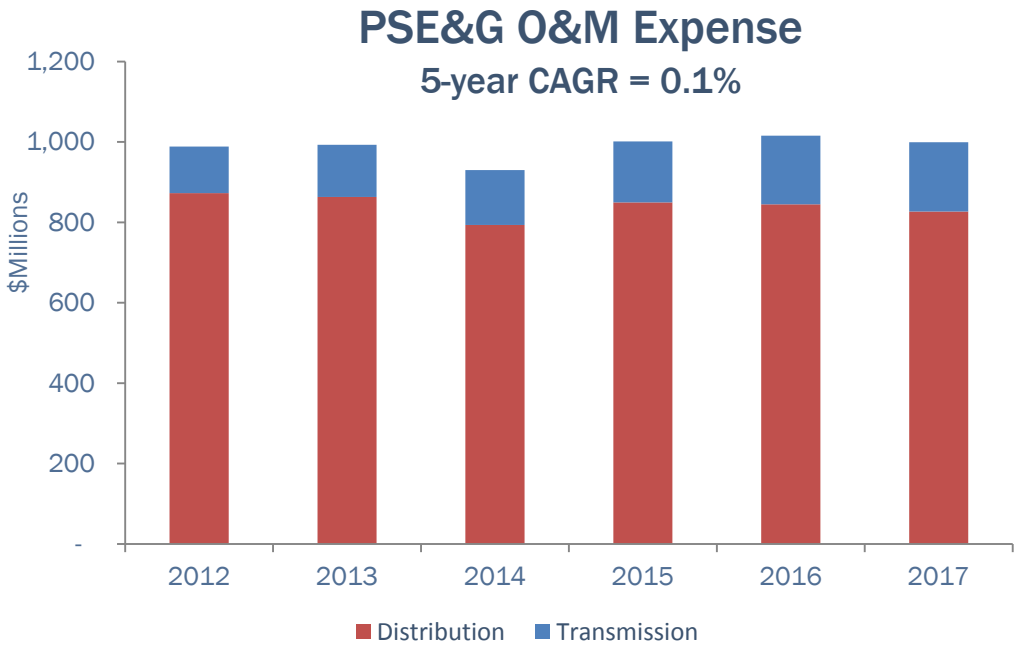
$13B plan includes program extension filings comparable to current investment levels:

- GSMP II
- Energy Strong (ES) II
- Clean Energy Future (CEF) filing
  - expansion of current energy efficiency programs
  - electric vehicle programs
  - energy storage
  - LED streetlights

Broad opportunity set of investment potential driven by customer expectations and public policy

FERC Formula Rates	Traditional Recovery Mechanisms	Clause Recovery Mechanisms
Transmission	Distribution Base Rates	Infrastructure / Clean Energy

Operational Excellence – O&M costs

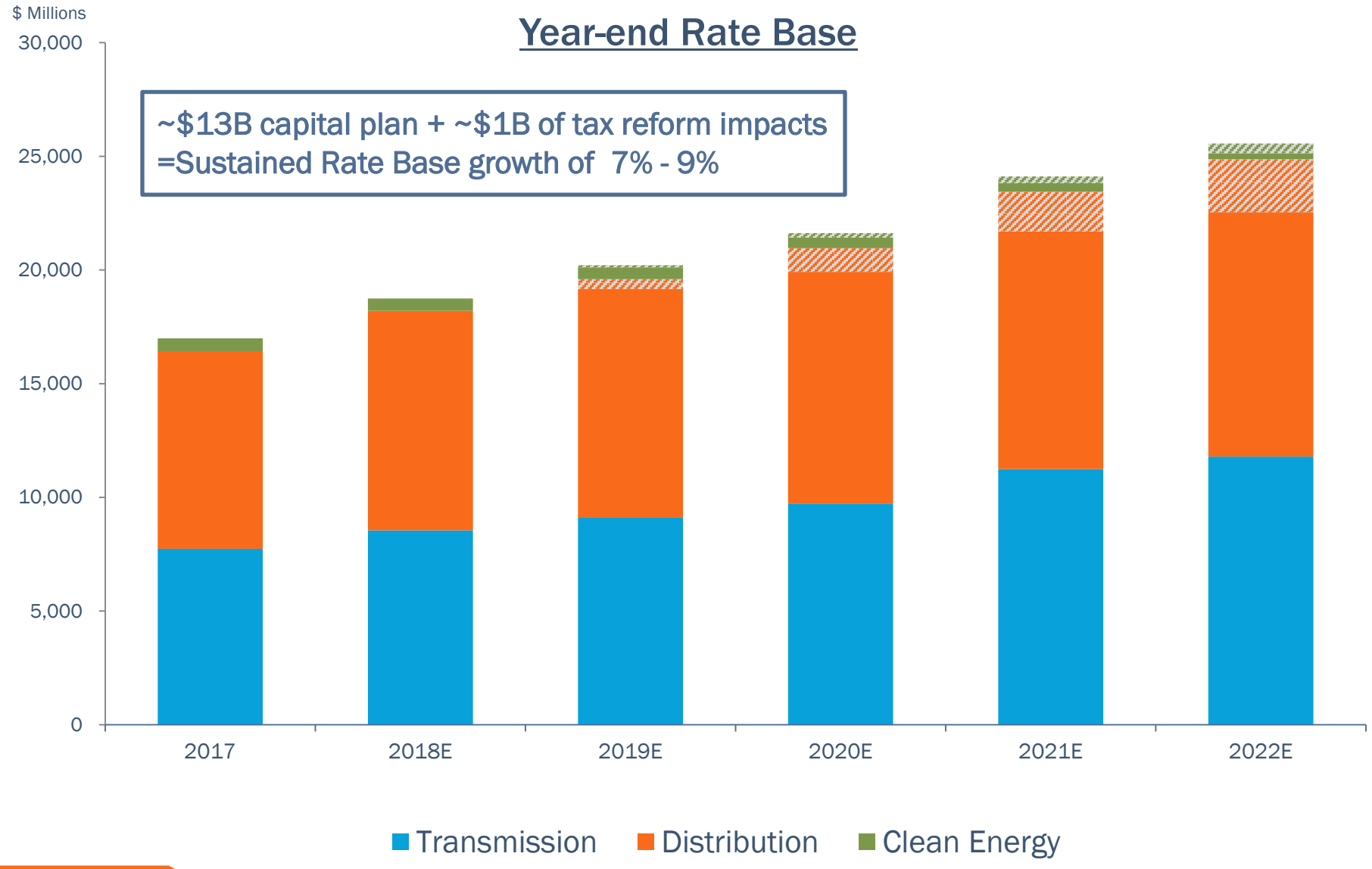


Demonstrated ability to control O&M, preserving earnings and returns in a low sales growth environment

Cost control actions:

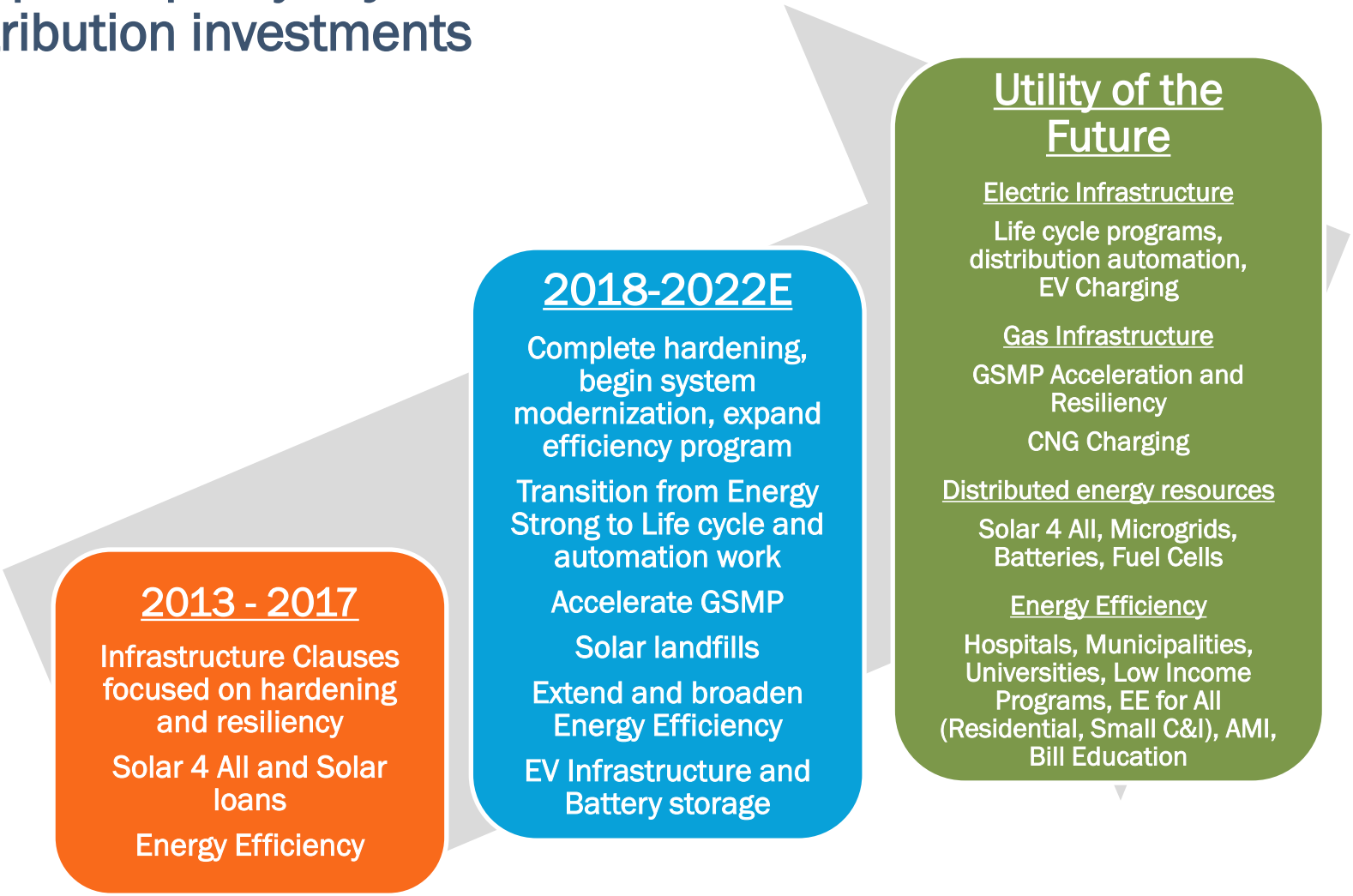
- PSE&G is utilizing the Lean Six Sigma discipline to achieve costs savings and process improvements
- Regular organizational refinement to streamline processes
- Continued focus on vendors, ensuring maximum value
- Successful management of pension

Continued strong rate base growth – off a higher base



E = ESTIMATE.
HASHED PORTION OF THE CHART REPRESENTS EXTENSIONS OF DISTRIBUTION CLAUSE PROGRAMS INCLUDING GSMP II, ES II AND A LARGE CLEAN ENERGY PROGRAM

PSE&G Investment Evolution: System needs, customer expectations and public policy objectives drive need for continued and increasing Distribution investments



Utility of the Future represents potential investment opportunity to sustain annual rate base growth into the next decade

PSEG POWER

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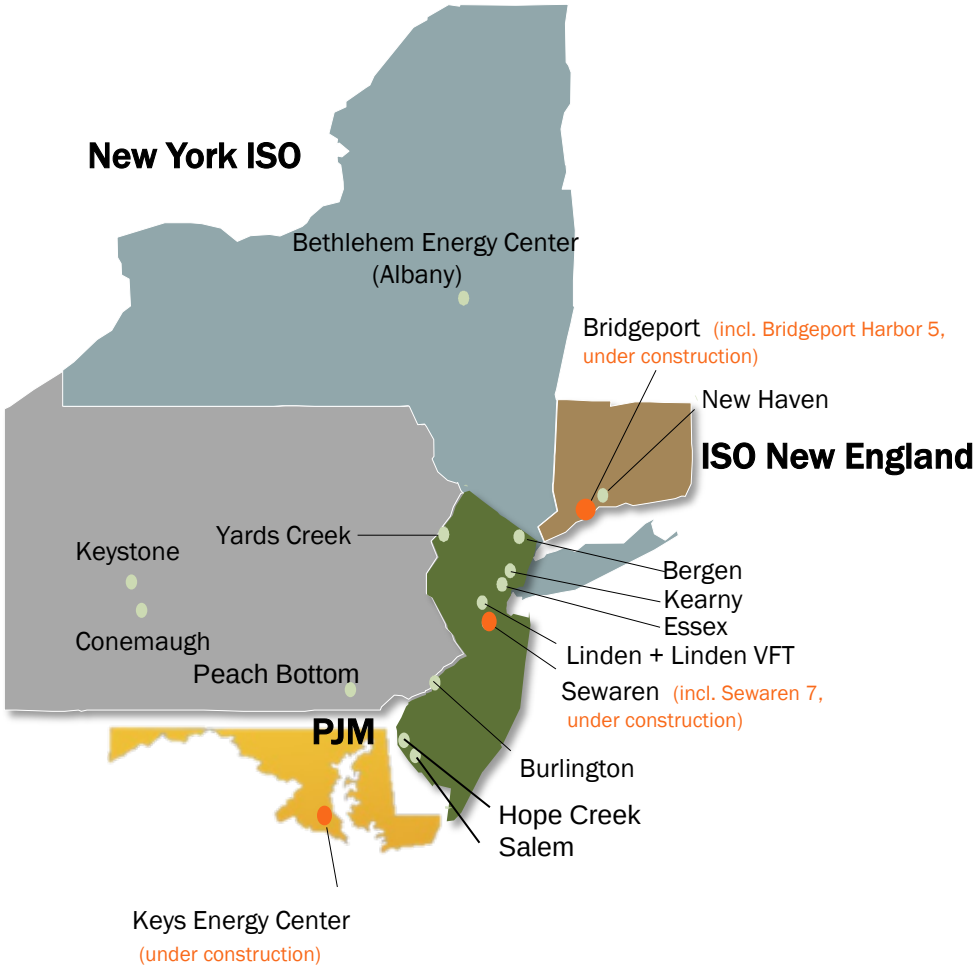
We make things work for you.

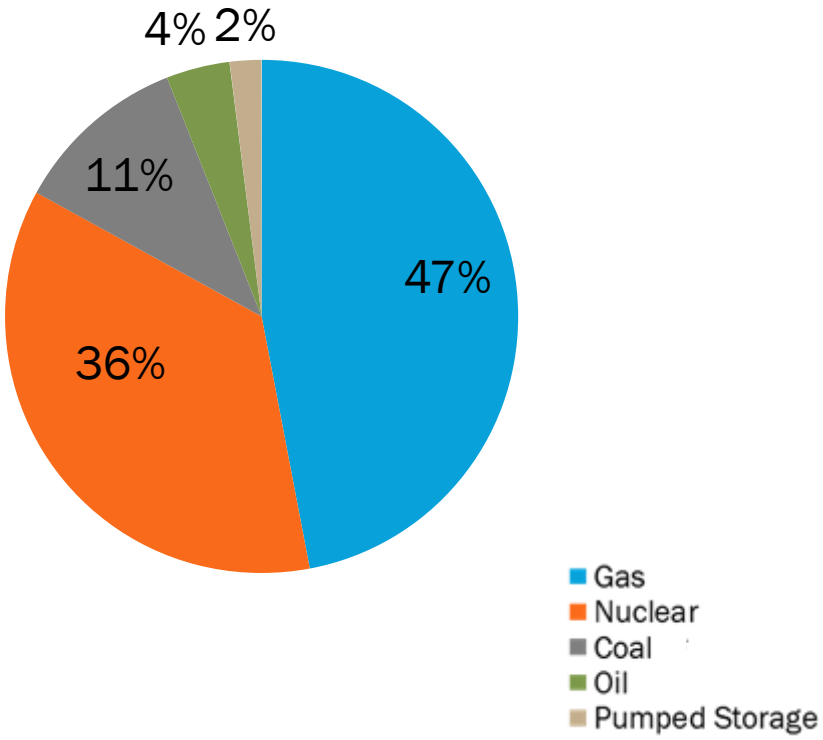
Power has generating assets in three competitive markets



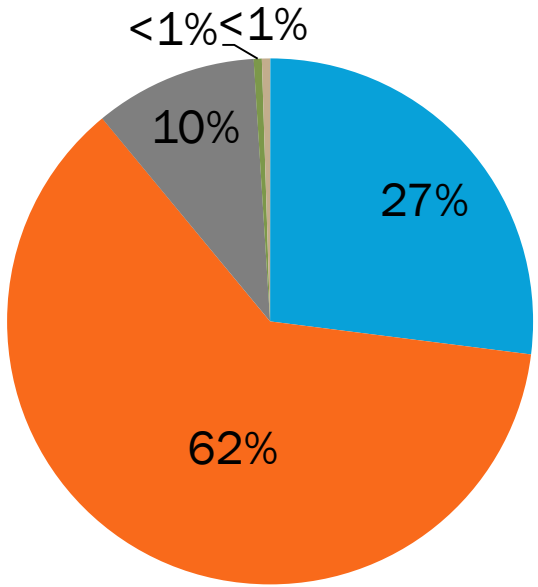
- Major assets located near key load centers
- Constructing three new, highly efficient combined-cycle units
- Positioned to benefit from market volatility
- Additional generation assets:
  - Solar (414 MW_{DC}/325 MW_{AC})
  - Kalaeloa, HI (104 MW)

Power has a diverse fleet of generating assets which enables it to respond to market needs

Fuel Diversity 2017*
Total MW: 10,458



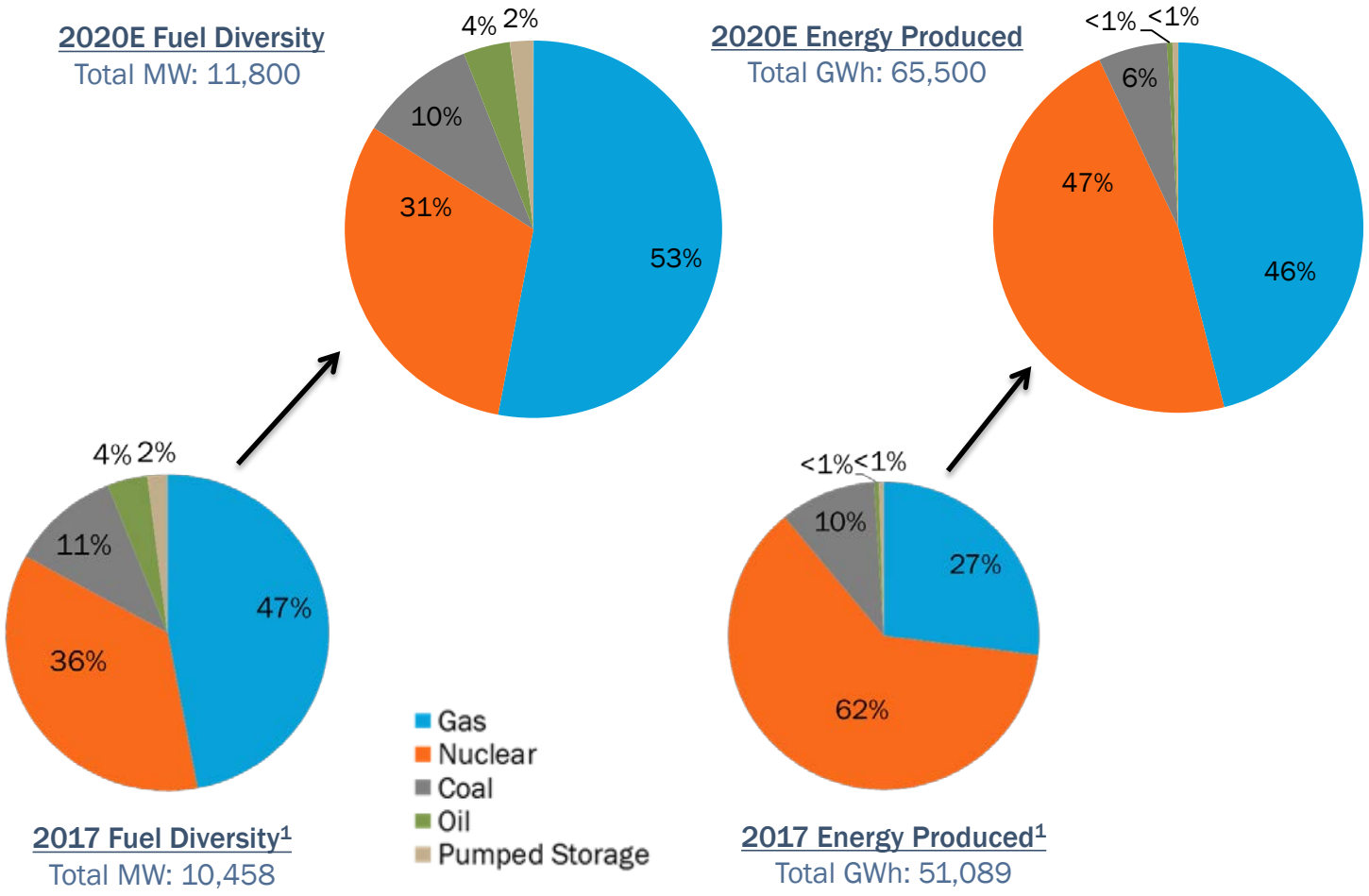
Energy Produced 2017*
Total GWh: 51,089



* EXCLUDES SOLAR (414MW$_{DC}$ /325MW$_{AC}$) AND KALAELOA (104MW).

Power's fleet is being **transformed** with focus on improvement in efficiency

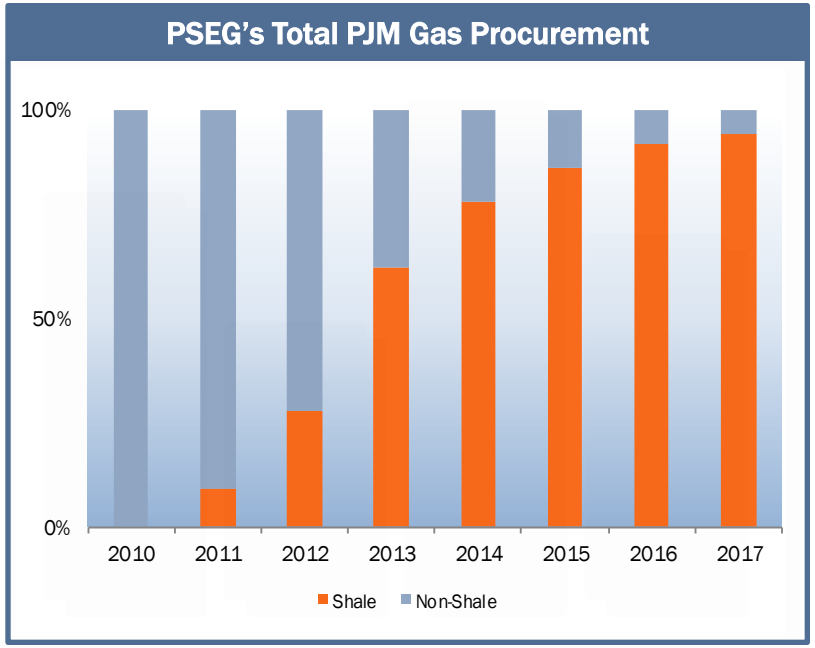
Projected Fleet Comparison 2017 to 2020E

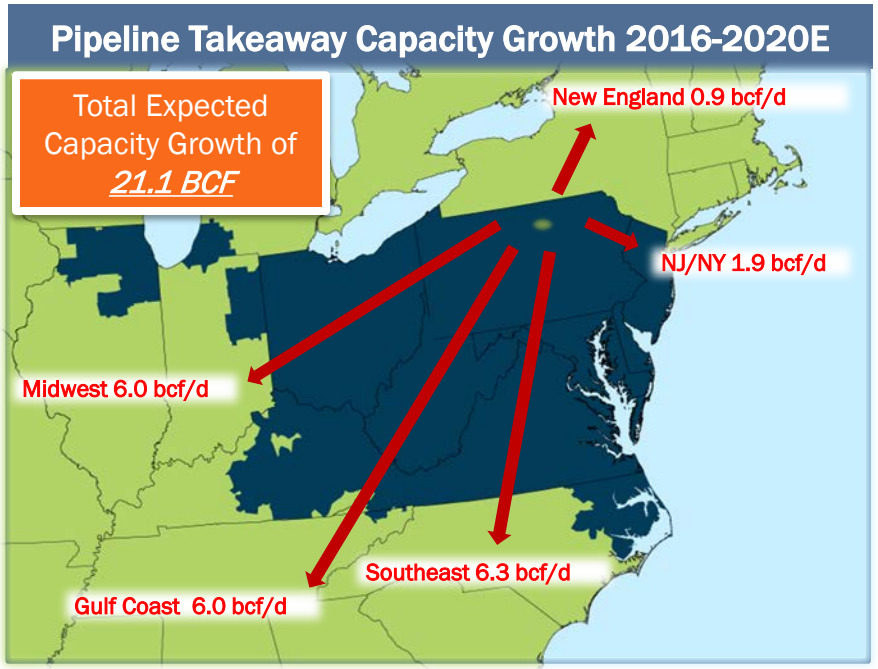


Energy hedging being moderated due to uncertainty around future operations of NJ nuclear units, given economic challenges

[1] REFLECTS RETIREMENT OF HUDSON AND MERCER UNITS ON JUNE 1, 2017.
ALL PERIODS EXCLUDE SOLAR (414 MW_{DC}) CAPACITY AND KALAELOA (104 MW) CAPACITY / ENERGY PRODUCED.
E= ESTIMATE.

Power's fleet is well-located with access to shale gas production





- PSEG Power procured approximately 360 BCF in 2017 with approximately 50% going towards PSE&G's utility gas customer usage
- PSEG Power's gas for PJM generation was ~65 BCF in 2017, of which >85% was supplied by Northeast Shale gas

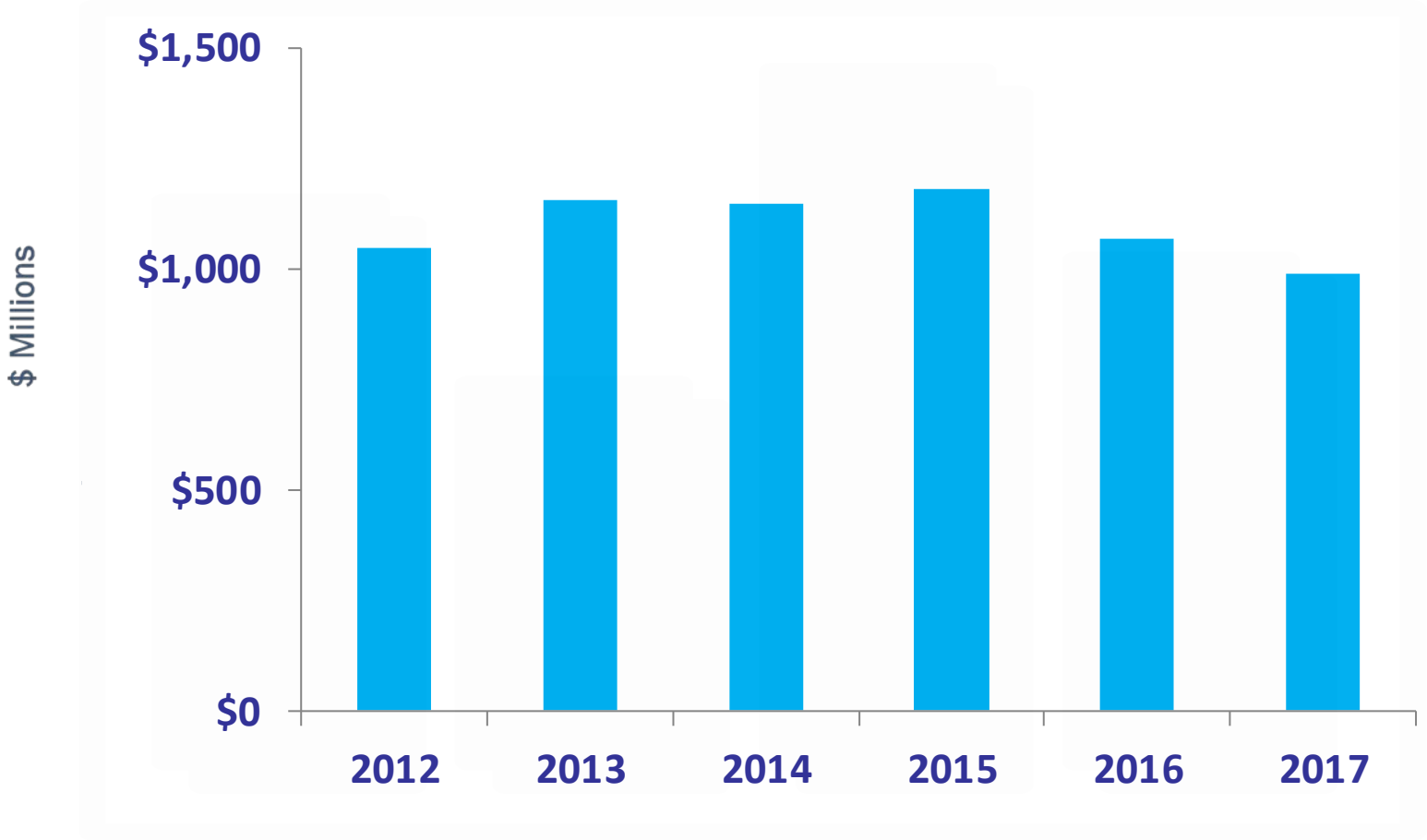
- Significant amount of new pipelines have already been built and more are in construction / development
- Gas production and pipeline takeaway capacity expected to be more balanced in 2018 timeframe

E = ESTIMATE.

Power has demonstrated its ability to control O&M

Power O&M Expense*

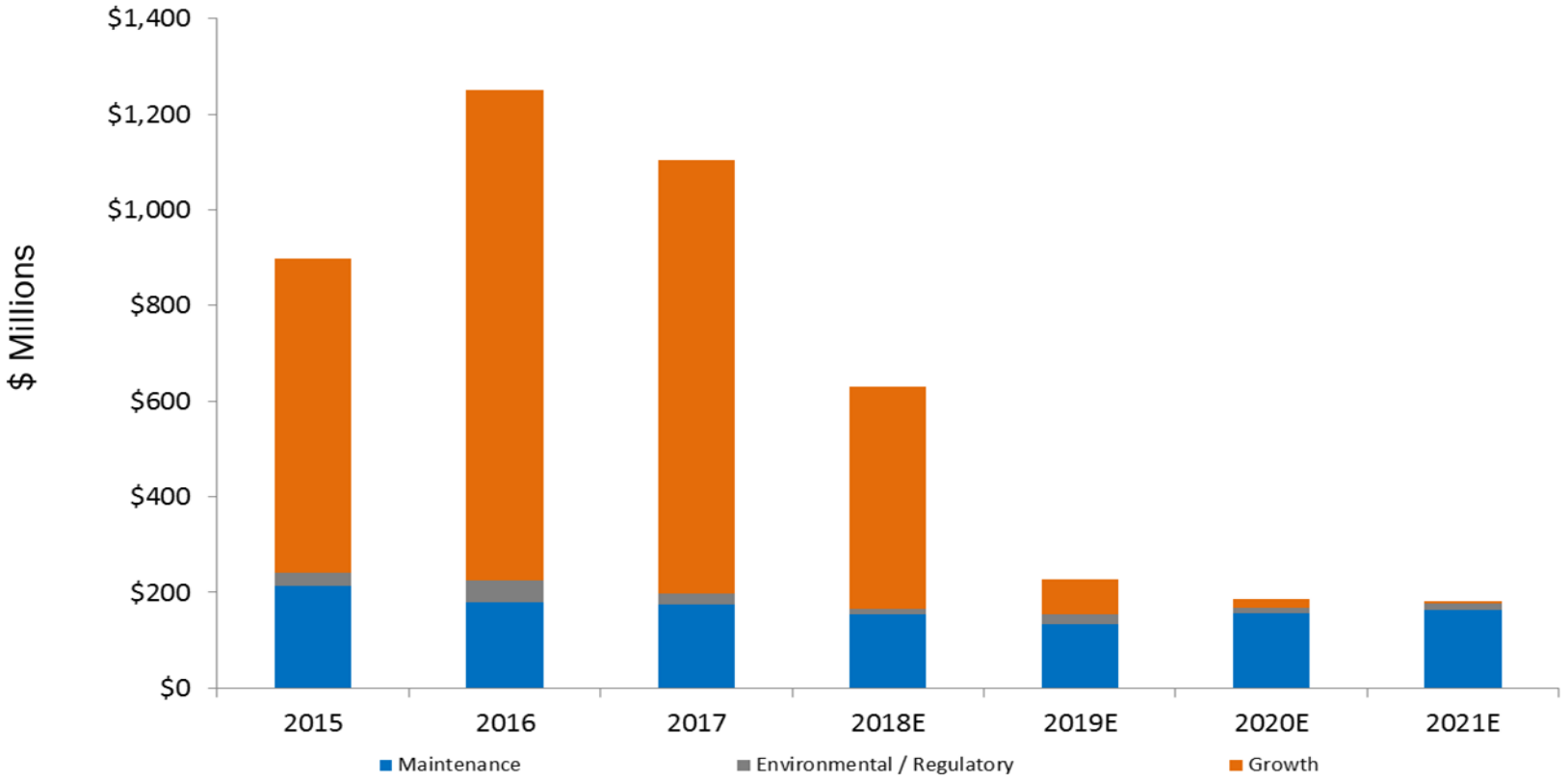
2012 to 2017 CAGR: (1.1%)



*EXCLUDES IMPACTS FROM STORM RECOVERY COSTS AND THE HUDSON/MERCER EARLY RETIREMENT.

Power's capital needs decline following construction of new capacity, enhancing free cash flow

Power Capital Investment*



EXCLUDES NUCLEAR FUEL. INCLUDES IDC. E=ESTIMATE. DATA AS OF MARCH 9, 2018.
*UPDATED TO REFLECT RECENT CANCELLATION OF NUCLEAR CAPITAL PROJECTS AT SALEM THAT ARE NOT REQUIRED FOR REGULATORY COMPLIANCE OR SAFE OPERATION.

PSEG FINANCIAL REVIEW & OUTLOOK

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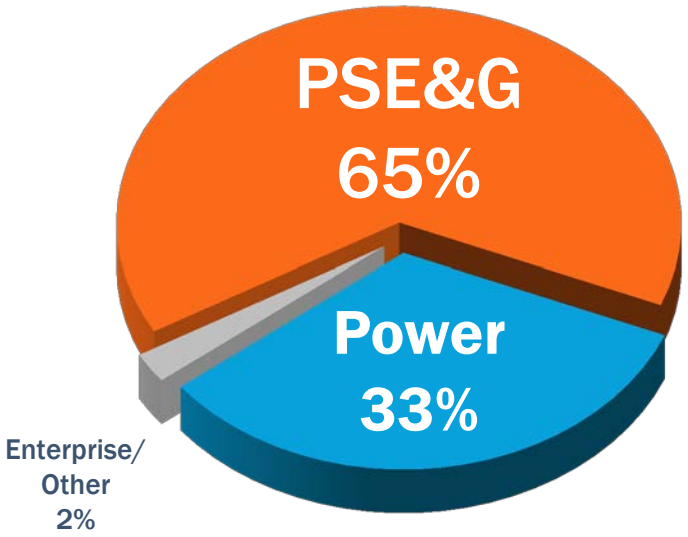
We make things work for you.

Strong financial position driven by PSE&G with meaningful contribution from Power

	2017 Financial Position
Earnings	✓ Delivered on 2017 guidance under challenging conditions ✓ Increased PSE&G earnings contribution
Investment	✓ Executed major PSE&G capital program balanced between Transmission and Distribution ✓ Focused on completion of Power's construction program
Cash Flow and Credit Metrics	✓ PSEG business mix yields net benefits from recent tax reform ✓ Produced stable and strong PSE&G cash from operations ✓ Maintained strong credit metrics
Dividends	✓ Increased common dividend by 4.7% or $0.08 per share

Investment programs provide opportunity for growth

2018E Non-GAAP Operating Earnings Guidance Contribution*



2018-2022E Total Capital**

~$13.2B

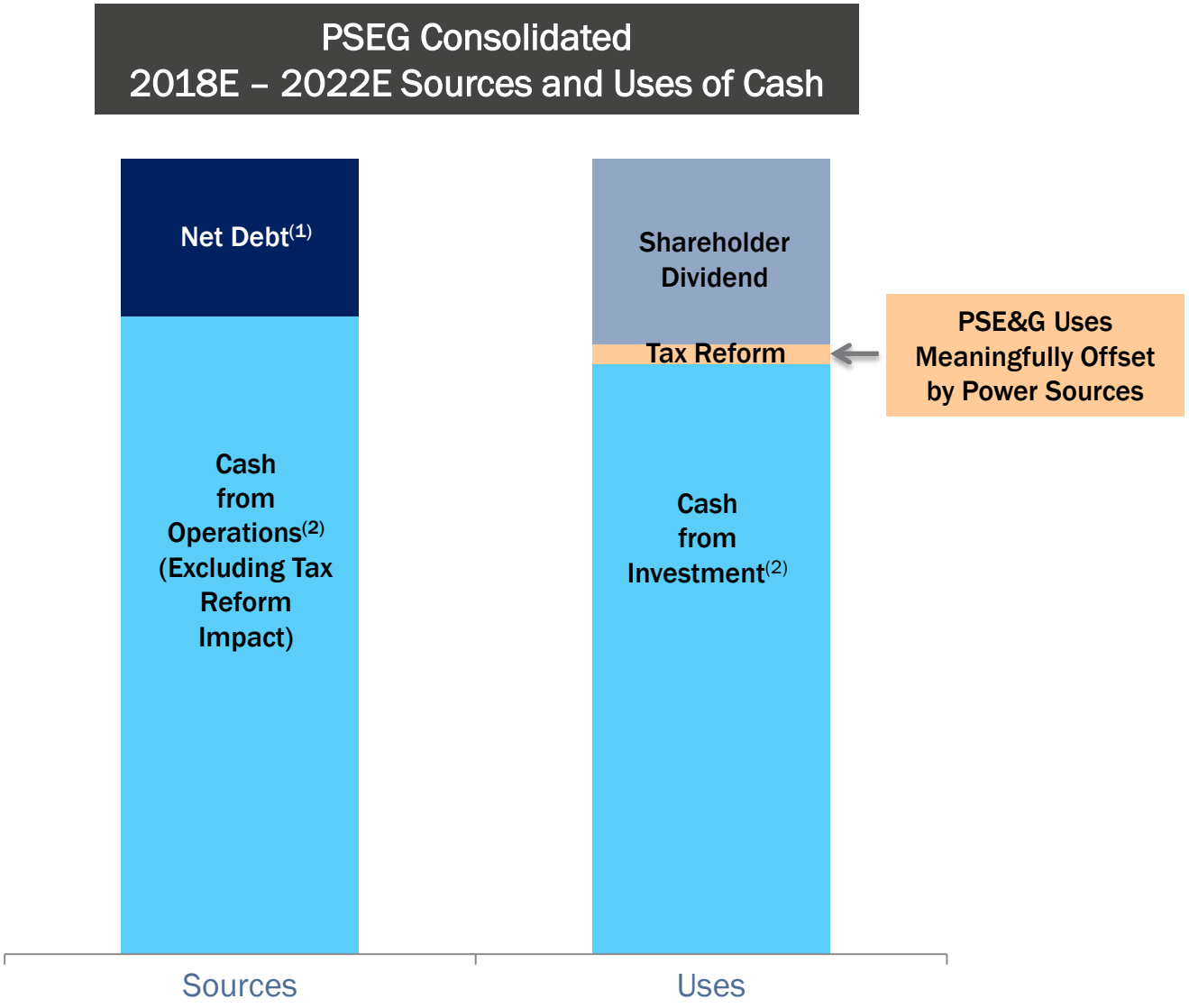
8% annual growth in rate base with expansion/extension of existing programs

~$1.5B

Completion of capital program for new combined cycle plants

*BASED ON THE MID-POINT OF NON-GAAP OPERATING EARININGS GUIDANCE OF $3.00 TO $3.20 PER SHARE.
**INCLUDES ALL PLANNED SPENDING. E = ESTIMATE. INCLUDES AFUDC AND IDC.

Cash Impact from Tax Reform is Manageable



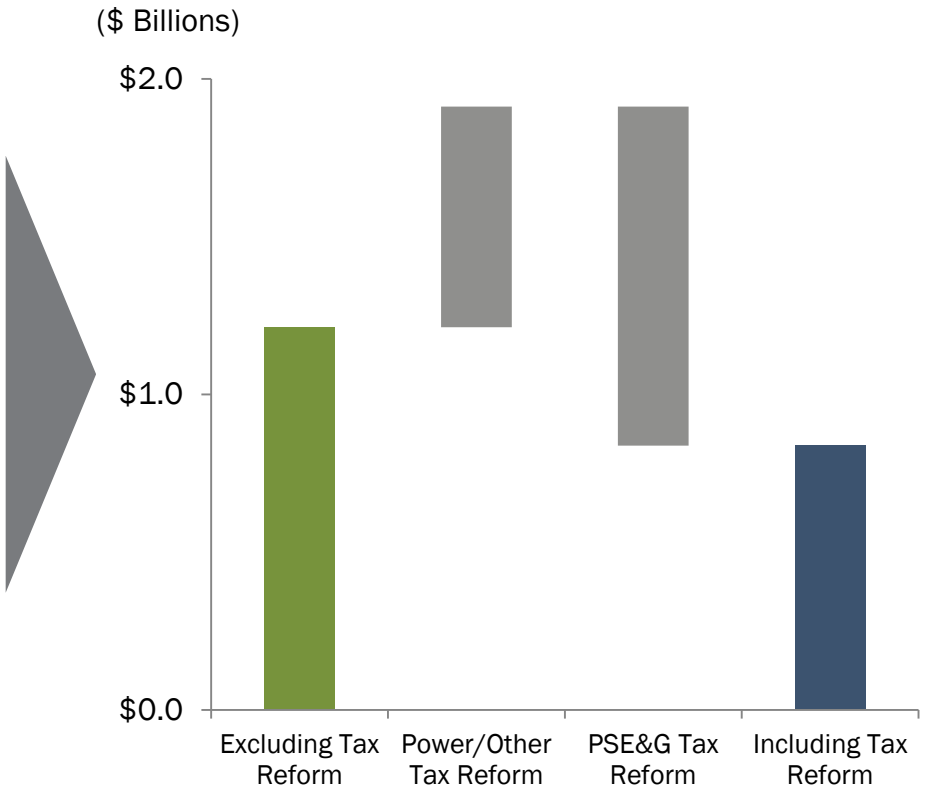
1) INCLUDES ISSUANCES, REDEMPTIONS, CASH POSITION AND TREASURY SHARES
2) ADJUSTED TO SHIFT CUMULATIVE ENERGY EFFICIENCY CAPITAL SPEND FROM CASH FROM OPERATIONS (PER GAAP) TO GROWTH INVESTMENT. E = ESTIMATE.

Excess Investment Capacity of nearly $1B after tax reform and continued investment

Average Funds From Operations / Debt 2018E – 2020E

	Power	PSEG
Estimate (Including Tax Reform)	Low - Forties	~20%
Tax Reform Impact	~5%	~(2%)
Minimum Threshold	30%	High - Teens

Total Incremental Investment Capacity (PSEG and Power)



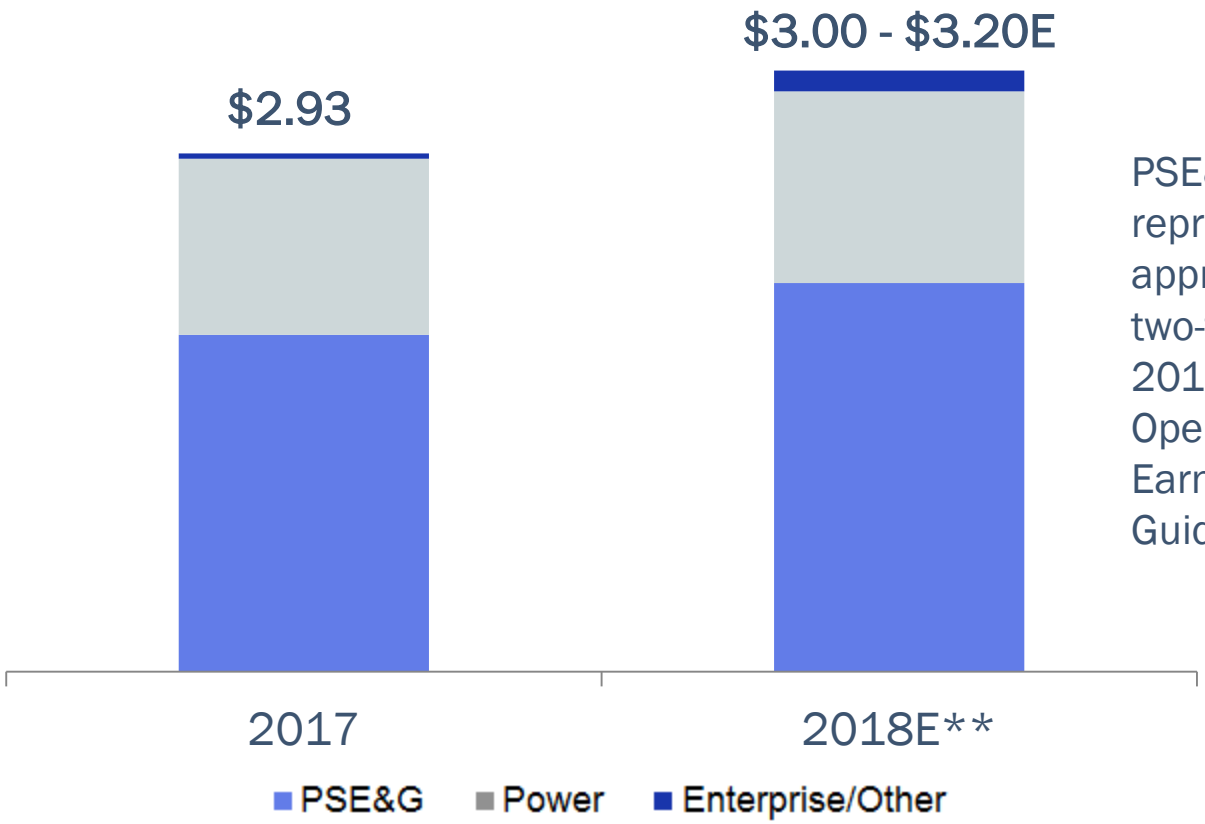
Incremental capacity invested in PSE&G would be matched with utility debt

E=ESTIMATE.

PSEG 2018 non-GAAP Earnings Guidance +6% over 2017

Tax reform and growth in utility infrastructure investment drives increase in earnings

Non-GAAP Operating Earnings* Contribution by Subsidiary
2017 Actual and 2018 Guidance

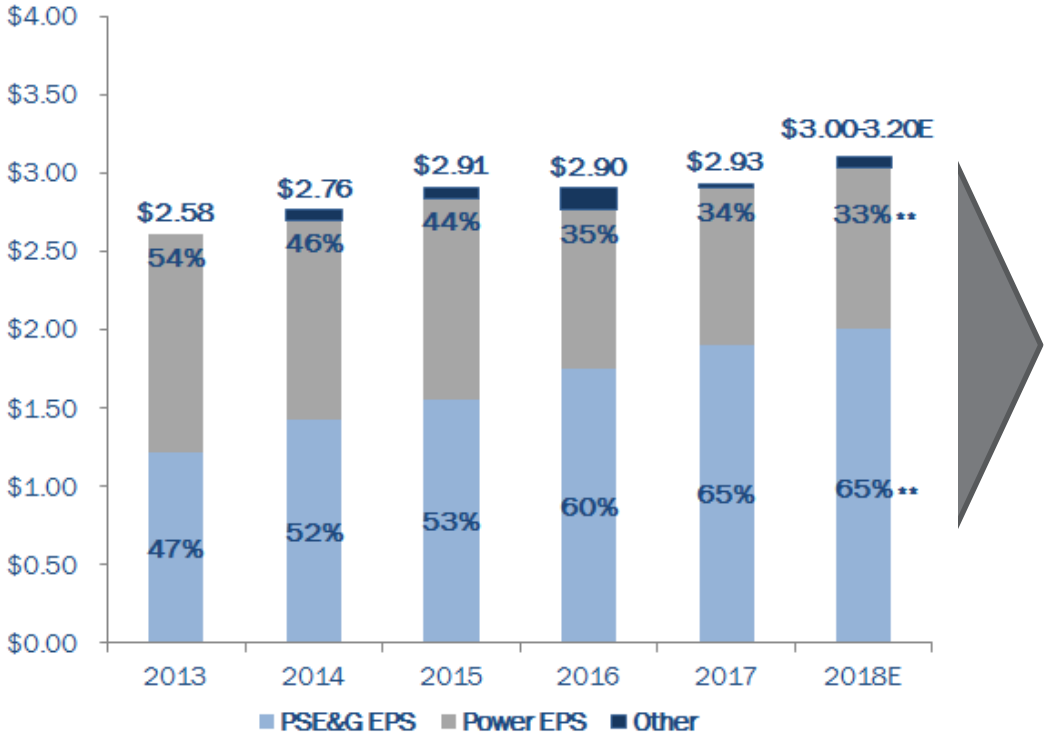


PSE&G represents approximately two-thirds of 2018 Operating Earnings Guidance

* SEE SLIDES A, B AND C FOR ITEMS EXCLUDED FROM NET INCOME (LOSS) TO RECONCILE TO OPERATING EARNINGS (NON-GAAP).
** BASED ON THE MID-POINT OF 2018 NON-GAAP OPERATING EARNINGS GUIDANCE OF $3.00 - $3.20 PER SHARE. E = ESTIMATE.

2018 Operating Earnings Guidance – PSE&G expected to contribute two-thirds of operating earnings

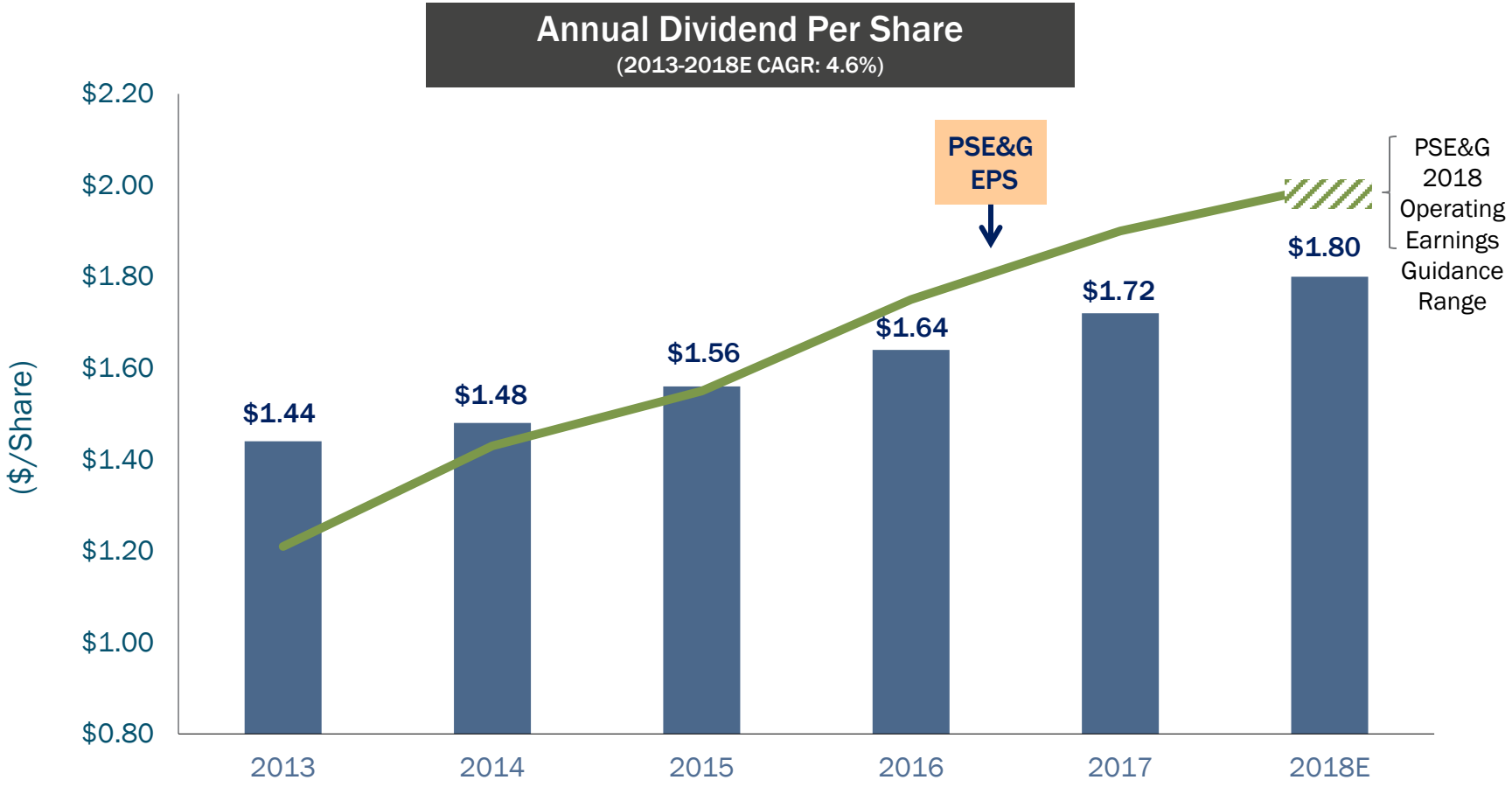
Non-GAAP Operating Earnings* Contribution by Subsidiary



PSEG Non-GAAP Operating Earnings	
$ Millions (except EPS)	2018E Guidance
PSE&G	$1,000 - $1,030
PSEG Power	$485 - $560
Enterprise/Other	$35 - $35
Operating Earnings*	$1,520 - $1,625
*Operating EPS**	$3.00 - $3.20E

*SEE SLIDES A ,B AND C FOR ITEMS EXCLUDED FROM NET INCOME/(LOSS) TO RECONCILE TO NON-GAAP OPERATING EARNINGS FOR PSEG, PSE&G, PSEG POWER AND ENTERPRISE/OTHER. **BASED ON THE MID-POINT OF 2018 NON-GAAP OPERATING EARNINGS GUIDANCE OF $3.00 - $3.20 PER SHARE. E= ESTIMATE. GUIDANCE INCLUDED HEREIN IS AS OF FEBRUARY 23, 2018.

Opportunity for consistent and sustainable dividend growth



E=ESTIMATE.

PSEG's Value Proposition

- A stable platform with a $13-$15 billion infrastructure investment pipeline providing opportunity for growth
- PSE&G – Delivering on promise for rate base growth through disciplined investment, customer satisfaction and safety
- PSEG Power – Efficient, low-cost, clean fleet advantaged by asset diversity, fuel mix and location
- Focus on providing strong, sustainable returns of invested capital through operational excellence, regulatory and legislative mechanisms
- 111-year record of paying common dividend with opportunity for consistent, sustainable growth
- Strong balance sheet – Financial strength supported by stable credit rating and investment profile

PSEG
APPENDIX

PSEG

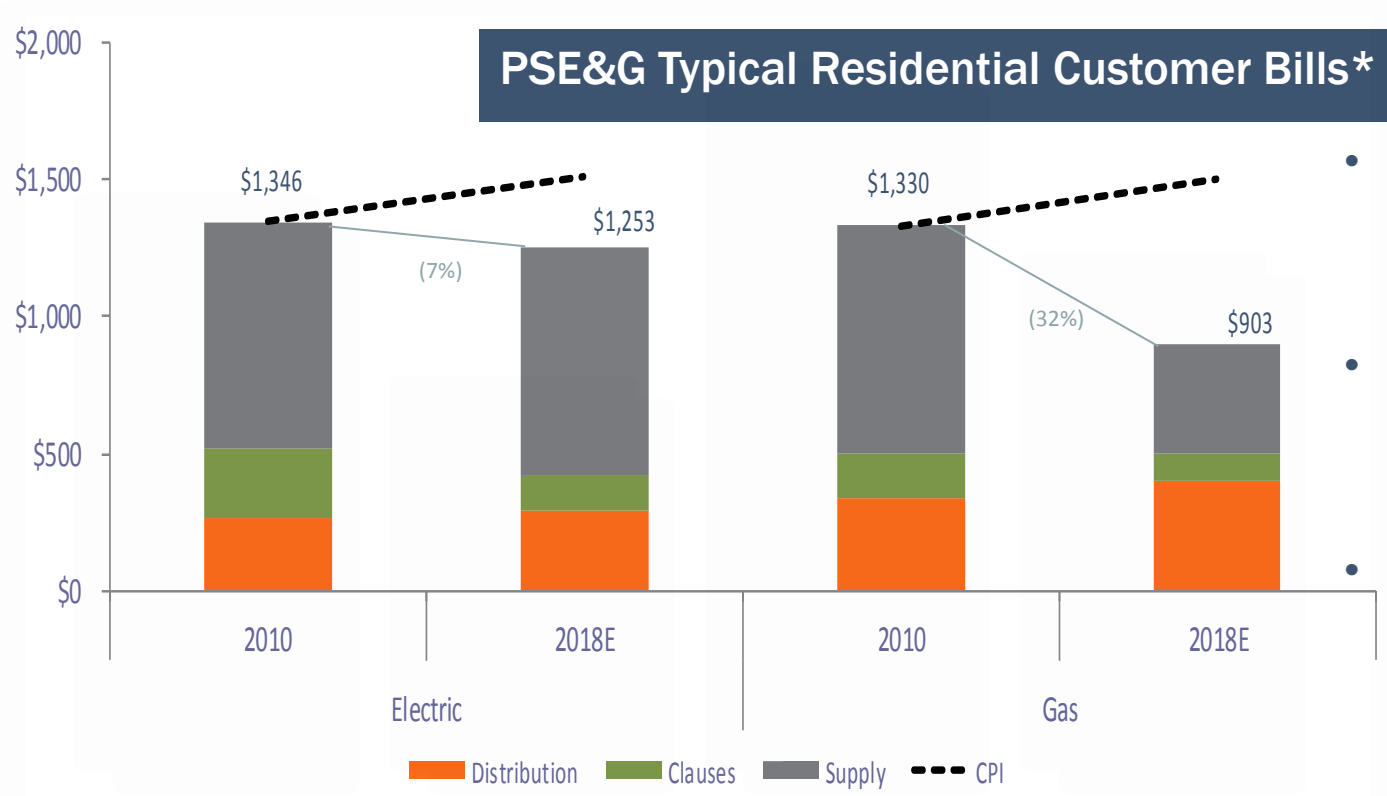
We make things work for you.

PSE&G Distribution Base Rate Case Filing

- **Dockets** ER 18010029 (Electric) and GR 18010030 (Gas)
- **Filed** January 12, 2018; **Anticipate new rates** Fourth Quarter 2018
- **Test year** – July 1, 2017 through June 30, 2018 (with certain pro forma adjustments)
- **Rate base** of $9.6B ($5.6B E; $4B G) as of December 31, 2018
- **ROE** request of 10.3%; **Capitalization structure** with 54% equity
- **Requested Increase:** ~1% relative to overall revenue
- **O&M and Sales** are roughly flat to last rate case eight years ago
- **Capital recovery** beyond clauses and $125M increase in Depreciation rate
- **Decoupling** of revenues from sales volumes
- **Taxes** – lower tax rate and flow back of deferred taxes to offset storm costs and reduce impact on customer bills
- **Pending updates:**
  - **Taxes** - BPU order to lower rates effective April 1 will accelerate savings planned in rate case; update for other tax impacts such as loss of bonus depreciation
  - **9x3 update** to be filed in May

Overall bill for the typical PSE&G residential customer, even after consideration of the ~1% request, would remain ~20% lower than bills after last base rate case

Customer's bills are materially lower, supporting needed investment in the system



- Combined electric and gas bills declined ~20% since our last rate case
- Provided Gas bill credits totaling ~$670 per customer since 2012
- Continued investment at the current rate of growth would take about a decade to equal the 2010 bill rates (adjusted for growth in CPI/disposable income)

- Regional price comparison** - Gas is 2nd lowest and Electric is lower than average
- Distribution revenue component is the lowest in the state for Gas and second lowest for Electric

*FOR ALL YEARS THE BILLING ASSUMES 7,200 KWH FOR ELECTRIC AND 1,010 THERMS FOR GAS ANNUALLY. E = ESTIMATE
** COMPARED AGAINST 12 REGIONAL UTILITIES AS OF SEPTEMBER 1, 2016, FOR A CUSTOMER THAT USES 500 KILOWATT-HOURS AND 100 THERMS IN A MONTH.

New Jersey BGS accounts for ~10 TWh of our hedging

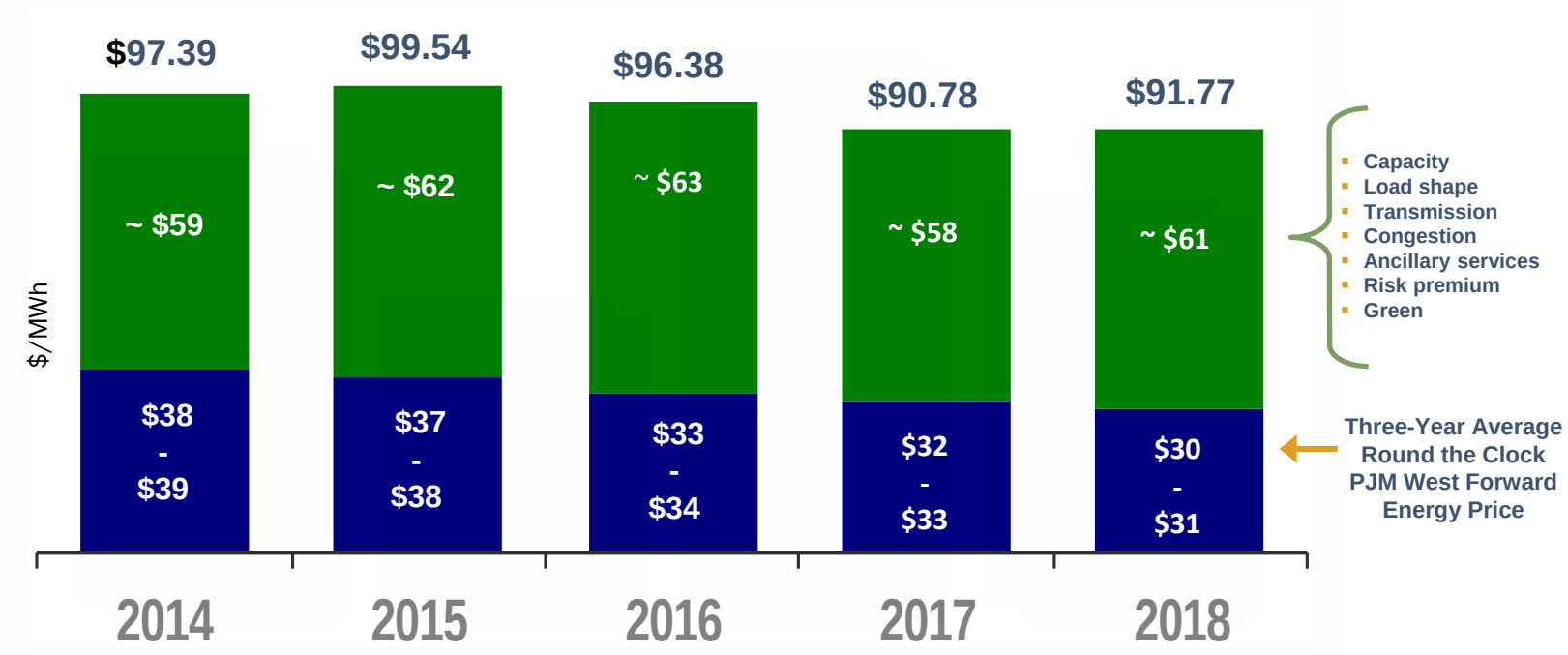
Retail marketing will complement BGS

Full Requirements Component

Capacity Markets/RPM

Growing Renewable Energy/Transmission

Component for Market Risk



Latest auction results reflect mix of lower prices for energy and higher transmission costs

NOTE: BGS PRICES ARE QUOTED IN $/MWH AND REFLECT PSE&G ZONE; RESULTS FROM THE 2016-2018 AUCTIONS WILL BE THE NEW BLENDED PRICES BEGINNING JUNE 1, 2018.

Capacity Markets provide a solid and continuing revenue stream

PJM's RPM Auction Results*					
Delivery Year	**2016/2017**	**2017/2018**	**2018/2019**	**2019/2020**	**2020/2021**
Power's Average Prices ($/MW-day)	$172	$177	$215	$116	$174
Rest of Pool Prices ($/MW-day)	$59	$120	$165/$150 (CP/Base)	$100/$80 (CP/Base)	$77 (CP)
Power's Cleared Capacity (MW)	8,700	8,700	8,650	8,900	7,800

2020 Onward, RPM Auctions include 100% Capacity Performance and will be impacted by changes in:

- Net CONE
- PJM Parameters
- Load Forecasts
- Demand Response Rules
- Environmental Retirements

ISO New England's Forward Capacity Market Auction Results					
Delivery Year	**2016/2017**	**2017/2018**	**2018/2019**	**2019/2020**	**2020/2021**
Power's Average Prices ($/MW-day)	$104	$232	$315	$231	$195
Power's Cleared Capacity (MW)	777	848	831	1,333	1,333

Bridgeport Harbor 5 cleared the 2019/2020 auction and receives $231/MW-day for seven years

*PSEG POWER'S AVERAGE PRICES AND CLEARED CAPACITY (MW) REFLECT BASE AND INCREMENTAL AUCTIONS. DELIVERY YEARS RUN FROM JUNE 1 TO MAY 31 OF THE NEXT CALENDAR YEAR.

PSEG's longer-term outlook is influenced by Power's hedge position and investment at PSE&G

PSEG Power LLC

Segment EPS Drivers

Sensitivities derived from typical annual market variability	2018E	2019E	2020E
Each $0.75/mcf Change in Natural Gas	$0.02	$0.04	$0.13
Each $2/MWh Change in Spark Spread	$0.04	$0.08	$0.09
Each $5/MWh Change in Dark Spread	$0.00	$0.02	$0.03
Each 1% Change in Nuclear Capacity Factor	$0.01	$0.01	$0.01

PSE&G

Each $100 Million of Incremental Investment	$0.01	$0.01	$0.01
Each 1% Change in Sales			
Electric	$0.01	$0.01	$0.01
Gas	$0.01	$0.01	$0.01
Each 1% Change in O&M	$0.01	$0.01	$0.01
Each 20 basis point Change in Distribution ROE	$0.02	$0.02	$0.02
Each 20 basis point Change in Transmission ROE	$0.02	$0.02	$0.02

POWER EARNINGS SENSITIVITIES UPDATED FOR DECEMBER 31, 2017 PRICE CURVES AND EPS IMPACT ASSUMES NORMAL MARKET COMMODITY CORRELATION AND DEMAND.
PSE&G DISTRIBUTION ROE SENSITIVITIES EXCLUDE ENERGY STRONG AND GSMP. E = ESTIMATE.

Tax Cuts and Jobs Act: PSEG is well positioned

given positive non-utility contribution to earnings and a strong balance sheet

Federal Tax Reform	PSE&G	PSEG Power	Enterprise/Other
Reduction of Corporate Tax Rate to 21%	Customer rates lowered with reduction in tax rate Return of excess deferred tax liability – impact on cash and rate base growth dependent on payback period Estimated excess deferred tax balance of $2.1 Billion at YE 2017	After-tax earnings and cash flow increase One-time, non-cash earnings benefit from reduction in deferred tax liability reflected in 2017 GAAP results: $588 Million	After-tax earnings and cash flow increase One-time, non-cash earnings benefit from reduction in deferred tax liability reflected in 2017 GAAP results: $147 Million
Expensing of Capital Expenditures	Bonus depreciation eliminated post 2017 Rate base growth increases by ~1%/year through 2022 relative to prior tax rules	100% expensing -- cash flow increases	
Interest Disallowance Rule 30% Limitation Based on Tax – EBITDA	Not applicable	Well positioned given low debt balance	Well positioned given low debt balance

OUR ESTIMATES AND ANALYSIS ARE PRELIMINARY. THE SEC HAS PROVIDED COMPANIES ONE YEAR TO FINALIZE 2017 ACCOUNTING REQUIREMENTS. FURTHER ADJUSTMENTS IN 2018 MAY BE REQUIRED.

Tax reform impacts – PSE&G

Lowered federal corporate tax rate from 35% to 21%

- Lowers costs and annual revenue requirements by ~$275M
- Updated Transmission Formula rate lowered by $148M effective 1/1/2018
- Incorporated ~$130M reduction into Distribution base rate case filing

Lower tax depreciation benefits (no bonus depreciation, lower tax rate)

Excess deferred taxes due to lower tax rate of ~$2.1B

- Protected ~$1.6B – Flow back period over the lives of the assets (ARAM method)
- Unprotected ~$0.5B – Flow back period will be addressed with the BPU and FERC

Financial impact

✓ **Rate base growth** - Lower deductions and planned flow back increases rate base by >$1B

✓ **Average annual earnings increase by ~$20M in 2019 growing to ~$30M in 2022**

✓ **Investment program and metrics to support strong credit rating is maintained**

PSEG EXECUTIVE PROFILES

PSEG

We make things work for you.



Ralph Izzo

CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED

Ralph Izzo was elected chairman and chief executive officer of Public Service Enterprise Group Incorporated (PSEG) in April 2007. He was named as the company's president and chief operating officer and a member of the board of directors of PSEG in October 2006. Previously, Mr. Izzo was president and chief operating officer of Public Service Electric and Gas Company (PSE&G).

Since joining PSE&G in 1992, Mr. Izzo was elected to several executive positions within PSEG's family of companies, including PSE&G senior vice president – utility operations; PSE&G vice president – appliance service; PSEG vice president - corporate planning; and PSE&G vice president - electric ventures. In these capacities he broadened his experience in the areas of general management, strategic planning and finance.

Mr. Izzo is a well-known leader within the utility industry, as well as the public policy arena. He is frequently asked to testify before Congress and speak to organizations on matters pertaining to national energy policy.

Mr. Izzo's career began as a research scientist at the Princeton Plasma Physics Laboratory, performing numerical simulations of fusion energy experiments. He has published or presented over 35 papers on magnetohydrodynamic modeling. Mr. Izzo received his Bachelor of Science and Master of Science degrees in mechanical engineering and his Doctor of Philosophy degree in applied physics from Columbia University.

He also received a Master of Business Administration degree, with a concentration in finance from the Rutgers Graduate School of Management. He is listed in numerous editions of Who's Who and has been the recipient of national fellowships and awards. Mr. Izzo has received honorary degrees from the New Jersey Institute of Technology (Doctor of Science), Thomas Edison State University (Doctor of Humane Letters), Bloomfield College (Doctor of Humane Letters), Rutgers University (Doctor of Humane Letters), and Raritan Valley Community College (Associate of Science).

Mr. Izzo is on the board of directors for the New Jersey Chamber of Commerce, the Edison Electric Institute (EEI), the Nuclear Energy Institute (NEI) and the New Jersey Performing Arts Center. He is also a member of the Board of Trustees of Peddie School and the Princeton University Andlinger Center for Energy and the Environment Advisory Council, as well as a member of the Visiting Committee for the Department of Nuclear Engineering at MIT. Mr. Izzo is a former member of the Columbia University School of Engineering Board of Visitors. In addition, he is a former chair of the Rutgers University Board of Governors and the New Jersey Chamber of Commerce.



Daniel Cregg

EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED, PUBLIC SERVICE ELECTRIC AND GAS COMPANY, PSEG POWER LLC AND PSEG SERVICES CORPORATION

Daniel J. Cregg was named executive vice president and chief financial officer for Public Service Enterprise Group Incorporated (PSEG) and its subsidiaries in October 2015.

Mr. Cregg is responsible for all financial functions, including Internal Audit Services, Investor Relations and Corporate Development. Given the array of financial instruments which serve as the primary means of selling wholesale energy to customers, Mr. Cregg also has responsibility for the Risk Management function, which provides independent oversight of the PSEG Power trading organization. In addition to finance, Mr. Cregg is responsible for the Strategy and Planning function. He is a member of PSEG's Executive Officer Group.

Prior to his current position, Mr. Cregg was vice president – finance for PSE&G, a role he assumed in June 2013. In 2006, Mr. Cregg was named vice president – finance for PSEG Power. In that capacity and in previous financial roles for Power, Mr. Cregg held leadership positions related to financial reporting and forecasting, investor communications, financings, rating agency interactions, external reporting, cash forecasting, financial valuations, competitive intelligence, and fundamental market modeling, with critical responsibilities in Power's development and strategic planning activities.

Previously, Mr. Cregg was director of PSEG corporate development. He joined PSEG in 1991 with overall responsibility for tax planning, strategy and compliance for PSEG Energy Holdings, including domestic and international tax structuring work for PSEG Global and PSEG Resources.

Before joining PSEG, Mr. Cregg spent five years with the accounting and consulting firm of Deloitte and Touche, providing consulting services to a wide range of clients with an emphasis on the energy industry.

Mr. Cregg holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania and is a graduate of Lehigh University, where he received a bachelor's degree in accounting.

Reconciliation of Non-GAAP Operating Earnings

Public Service Enterprise Group Incorporated - Consolidated Operating Earnings (Non-GAAP) Reconciliation

Reconciling Items	Year Ended December 31,				
	2017	2016	2015	2014	2013
	($ millions, Unaudited)				
Net Income (Loss)	$ 1,574	$ 887	$ 1,679	$ 1,518	$ 1,243
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax (PSEG Power)	(133)	(5)	(24)	(138)	(86)
(Gain) Loss on Mark-to-Market (MTM), pre-tax[a] (PSEG Power)	167	168	(157)	(111)	125
Storm O&M, net of insurance recoveries, pre-tax (PSEG Power)	-	-	(172)	27	54
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	975	669	-	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	77	147	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[b]	(427)	(391)	150	104	(27)
Tax Reform	(745)	-	-	-	-
Operating Earnings (non-GAAP)	$ 1,488	$ 1,475	$ 1,476	$ 1,400	$ 1,309
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	508	508	508	508
	($ Per Share Impact - Diluted, Unaudited)				
Net Income (Loss)	$ 3.10	$ 1.75	$ 3.30	$ 2.99	$ 2.45
(Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power)	(0.26)	(0.01)	(0.05)	(0.27)	(0.17)
(Gain) Loss on MTM, pre-tax[a] (PSEG Power)	0.33	0.33	(0.31)	(0.22)	0.25
Storm O&M, net of insurance recoveries, pre-tax (PSEG Power)	-	-	(0.34)	0.05	0.11
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	1.92	1.32	-	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	0.15	0.29	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[b]	(0.84)	(0.78)	0.31	0.21	(0.06)
Tax Reform	(1.47)	-	-	-	-
Operating Earnings (non-GAAP)	$ 2.93	$ 2.90	$ 2.91	$ 2.76	$ 2.58

(a) Includes the financial impact from positions with forward delivery months.
(b) Income tax effect calculated at 40.85% 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 40.85% statutory rate plus a 20% tax on income (losses) from qualified NDT

Reconciliation of Non-GAAP Operating Earnings for PSE&G and PSEG Power

PSE&G Operating Earnings (Non-GAAP) Reconciliation

Reconciling Items	Year Ended December 31,				
	2017	2016	2015	2014	2013
	($ millions, Unaudited)				
Net Income (Loss)	$ 973	$ 889	$ 787	$ 725	$ 612
Tax Reform	(10)	-	-	-	-
Operating Earnings (non-GAAP)	$ 963	$ 889	$ 787	$ 725	$ 612

PSEG Power LLC - Operating Earnings (Non-GAAP) Reconciliation

Reconciling Items	Year Ended December 31,				
	2017	2016	2015	2014	2013
	($ millions, Unaudited)				
Net Income (Loss)	$ 479	$ 18	$ 856	$ 760	$ 644
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax (PSEG Power)	(133)	(5)	(24)	(138)	(86)
(Gain) Loss on Mark-to-Market (MTM), pre-tax[(a)] (PSEG Power)	167	168	(157)	(111)	125
Storm O&M, net of insurance recoveries, pre-tax (PSEG Power)	-	-	(172)	27	54
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	975	669	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[(b)]	(395)	(336)	150	104	(27)
Tax Reform	(588)	-	-	-	-
Operating Earnings (non-GAAP)	$ 505	$ 514	$ 653	$ 642	$ 710

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

(b) Income tax effect calculated at 40.85% statutory rate, except for NDT related activity which is calculated at the 40.85% statutory rate plus a 20% tax on income (losses) from qualified NDT funds.

Reconciliation of Non-GAAP Operating Earnings for PSEG Enterprise/Other

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

Reconciling Items	Year Ended December 31,				
	2017	2016	2015	2014	2013
	($ millions, Unaudited)				
Net Income (Loss)	$ 122	$ (20)	$ 36	$ 33	$ (13)
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	77	147	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[(a)]	(32)	(55)	-	-	-
Tax Reform	(147)	-	-	-	-
Operating Earnings (non-GAAP)	$ 20	$ 72	$ 36	$ 33	$ (13)

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