Barclays CEO Energy - Power Conference

SEPTEMBER 6, 2017

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

PSEG

We make things work for you.

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 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 two slides in this presentation (Slides A and B) 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 July 28, 2017.

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

Dan Cregg

EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

PSEG

We make things work for you.

PSEG's Value Proposition

- A stable platform with a $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
- 110-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

Two strong businesses

A stable platform, each with growth opportunities

PSEG

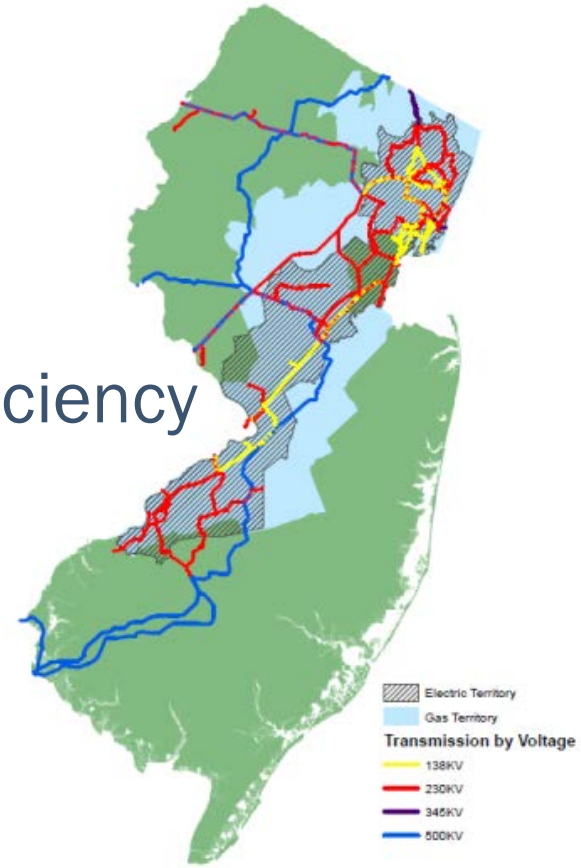
PSE&G	PSEG Power LLC
Electric & Gas Delivery and Transmission	**Regional Competitive Generation**
Strategy: Investments aligned with public policy and customer needs **Value Proposition:** A $12 - $14 billion infrastructure program with opportunities to expand, producing high single digit rate base growth through 2021	**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
2016	2016
Assets $26B **Net Income $889M**	**Assets $12B** **Net Income $18M** **Non-GAAP Operating Earnings* $514M**

ASSETS AND NET INCOME ARE FOR THE YEAR ENDED 12/31/2016. 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 AND SLIDE B FOR RECONCILIATIONS FOR PSEG POWER AND ENTERPRISE/OTHER.

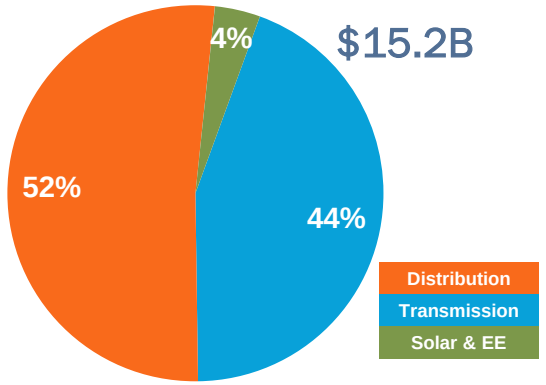
PSE&G –New Jersey's largest:

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

	Electric	Gas
Customers Growth (2012 – 2016)	2.2 Million 0.5%	1.8 Million 0.4%
2016 Electric and Gas Sales	41,580 GWh	2,360M Therms*
Projected Annual Sales Growth (2017 – 2019)**	0.3%	0.7%
Sales Mix (2016)		
Residential	33%	59%
Commercial	58%	37%
Industrial	9%	4%



PSE&G 2016 Rate Base



* GAS FIRM SALES ONLY.
** ESTIMATED ANNUAL GROWTH PER YEAR, ASSUMES NORMAL WEATHER.

Power has generating assets in three competitive markets



- Major assets located near key load centers
- Constructing three new, efficient combined-cycle units
- Positioned to benefit from market volatility
- Additional generation assets:
  - Solar (326 MW_{DC}/257 MW_{AC})
  - Kalaeloa, HI (104 MW)

*POWER ANNOUNCED RETIREMENTS OF HUDSON AND MERCER GENERATING STATIONS AS OF JUNE 1, 2017.

PSEG Policy and Regulatory focus

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

NJ Distribution Base Rate Proceeding

- True-up data from 2010 base rate case for known changes in customers usage, taxes, O&M and investments

Long-Term Infrastructure Investment Platform

- Seek extension of existing infrastructure programs, e.g., GSMP, and broaden investment platform

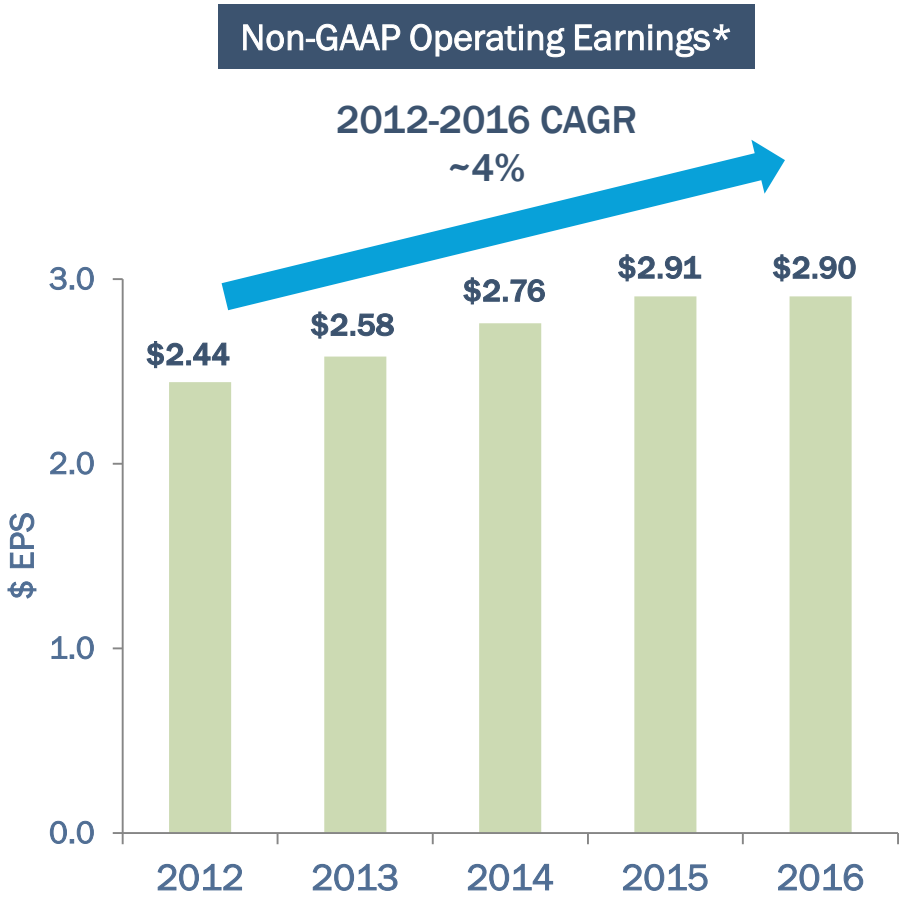
Preserve the Value of Nuclear Supply

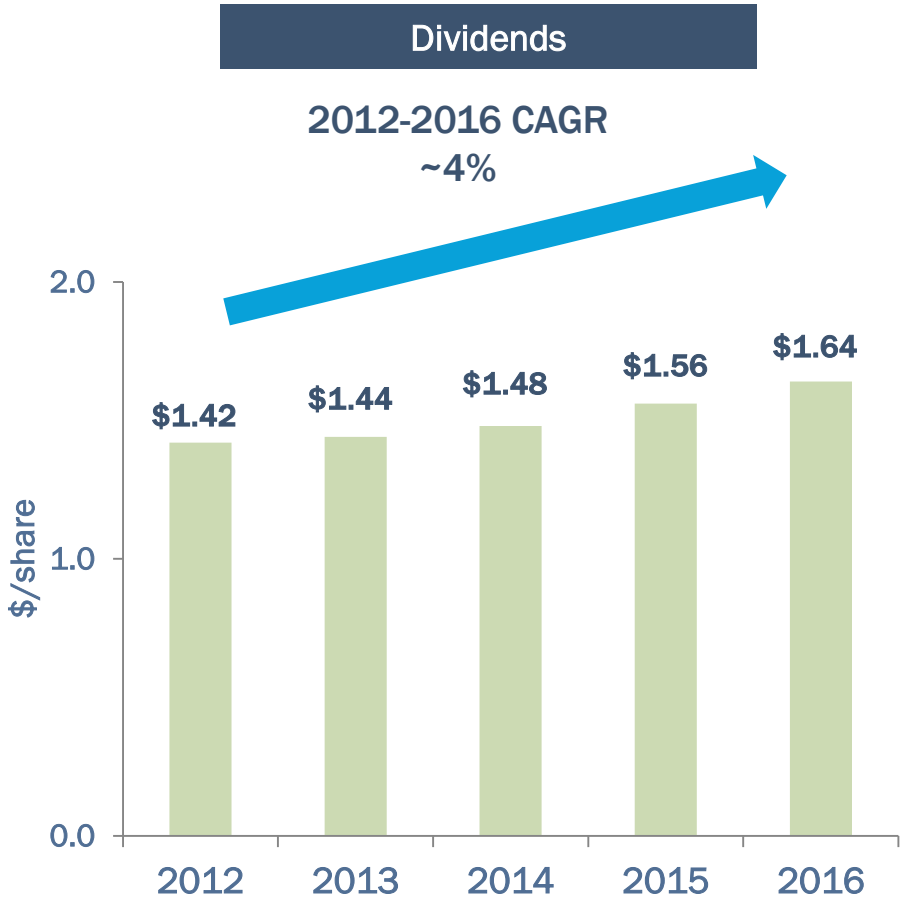
- Pursuing legislative strategy to recognize the value of nuclear energy under terms and conditions that are affordable for customers and provide the proper incentives for long-term operation

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

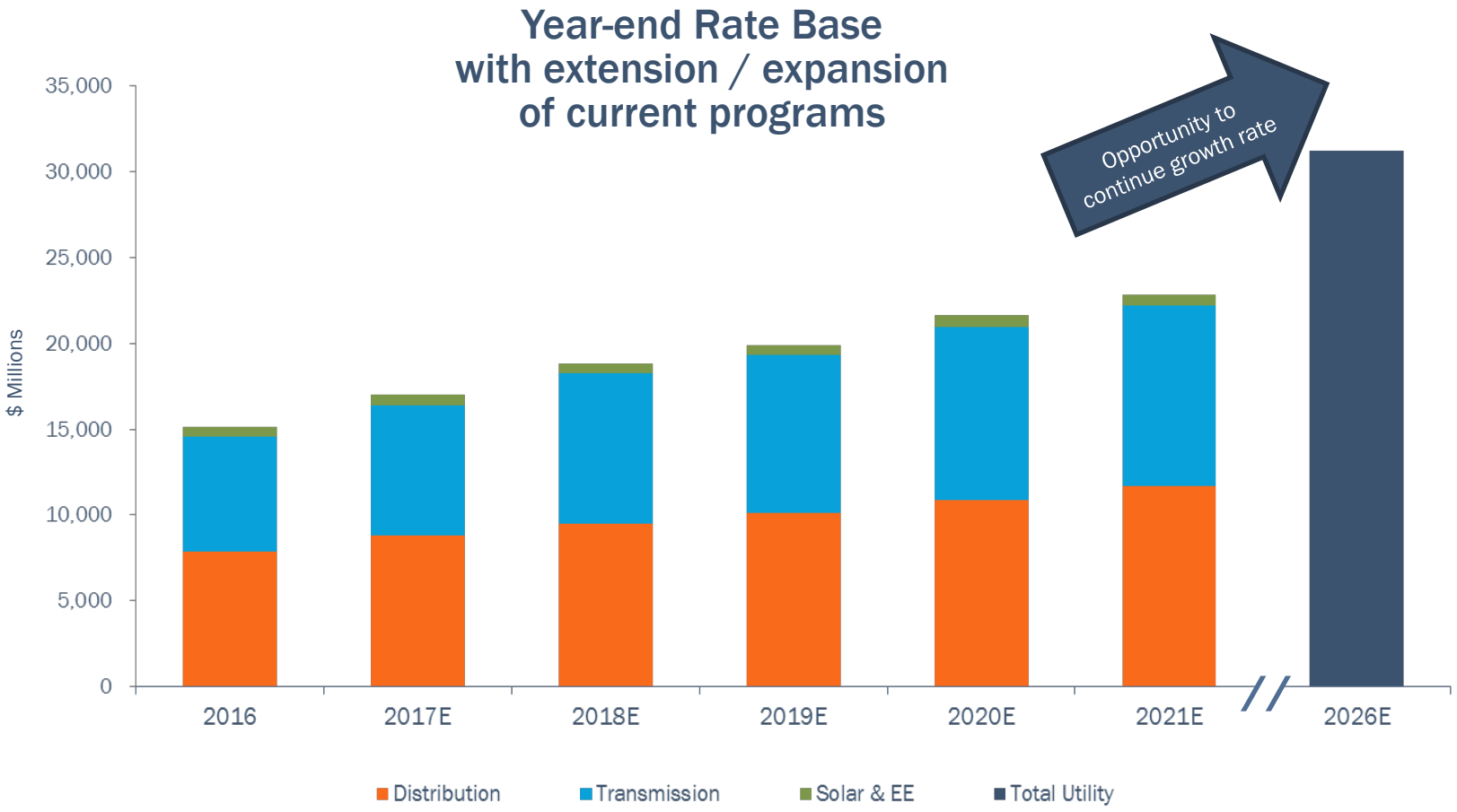
Focus on earning our cost of capital has provided for growth in operating earnings* and dividends





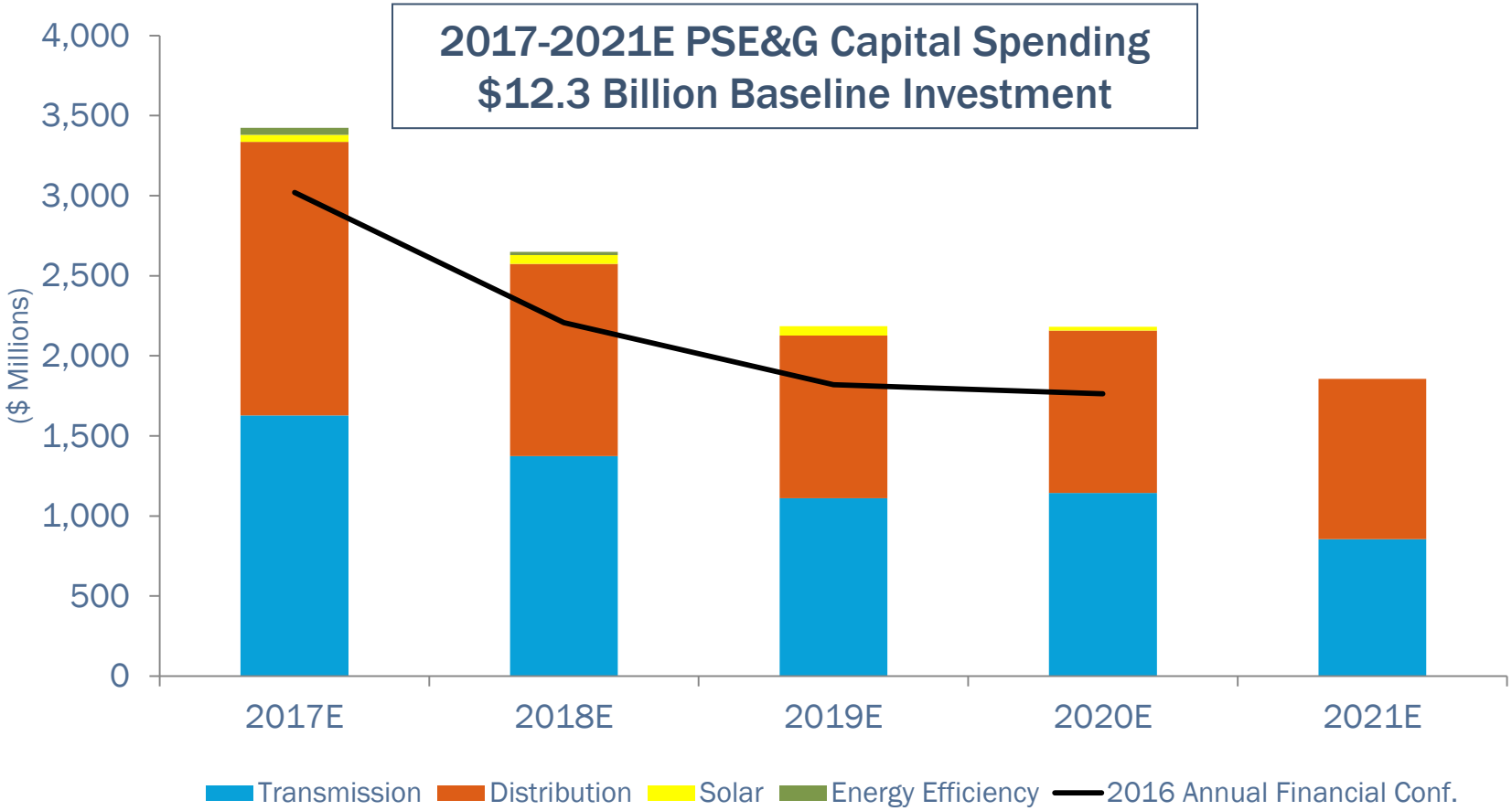
*SEE SLIDE A FOR ITEMS EXCLUDED FROM NET INCOME TO RECONCILE TO NON-GAAP OPERATING EARNINGS.

PSE&G's investment program provides for 7%–9% growth in rate base



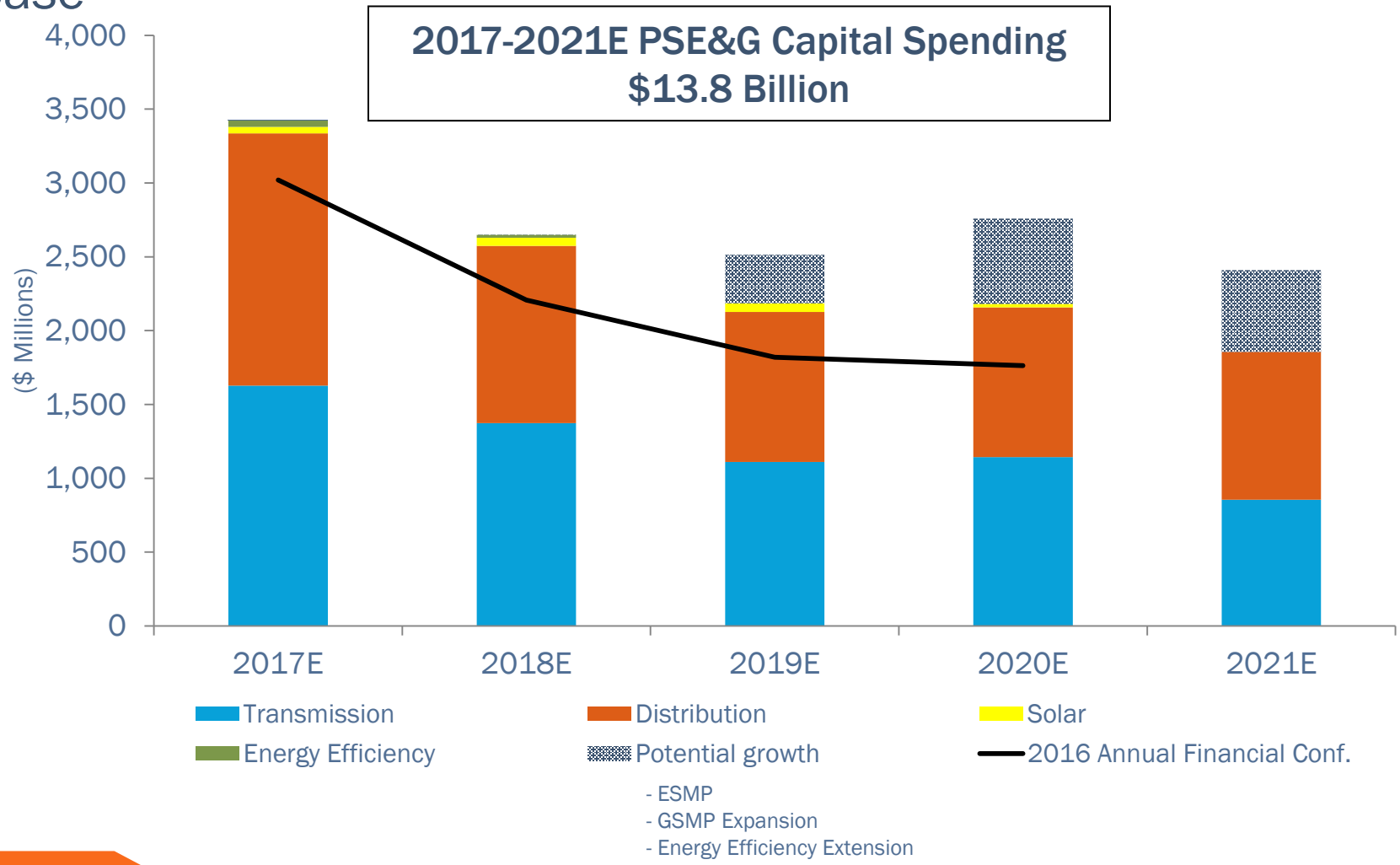
E = ESTIMATE.

Baseline programs yield 7% compound annual growth in rate base



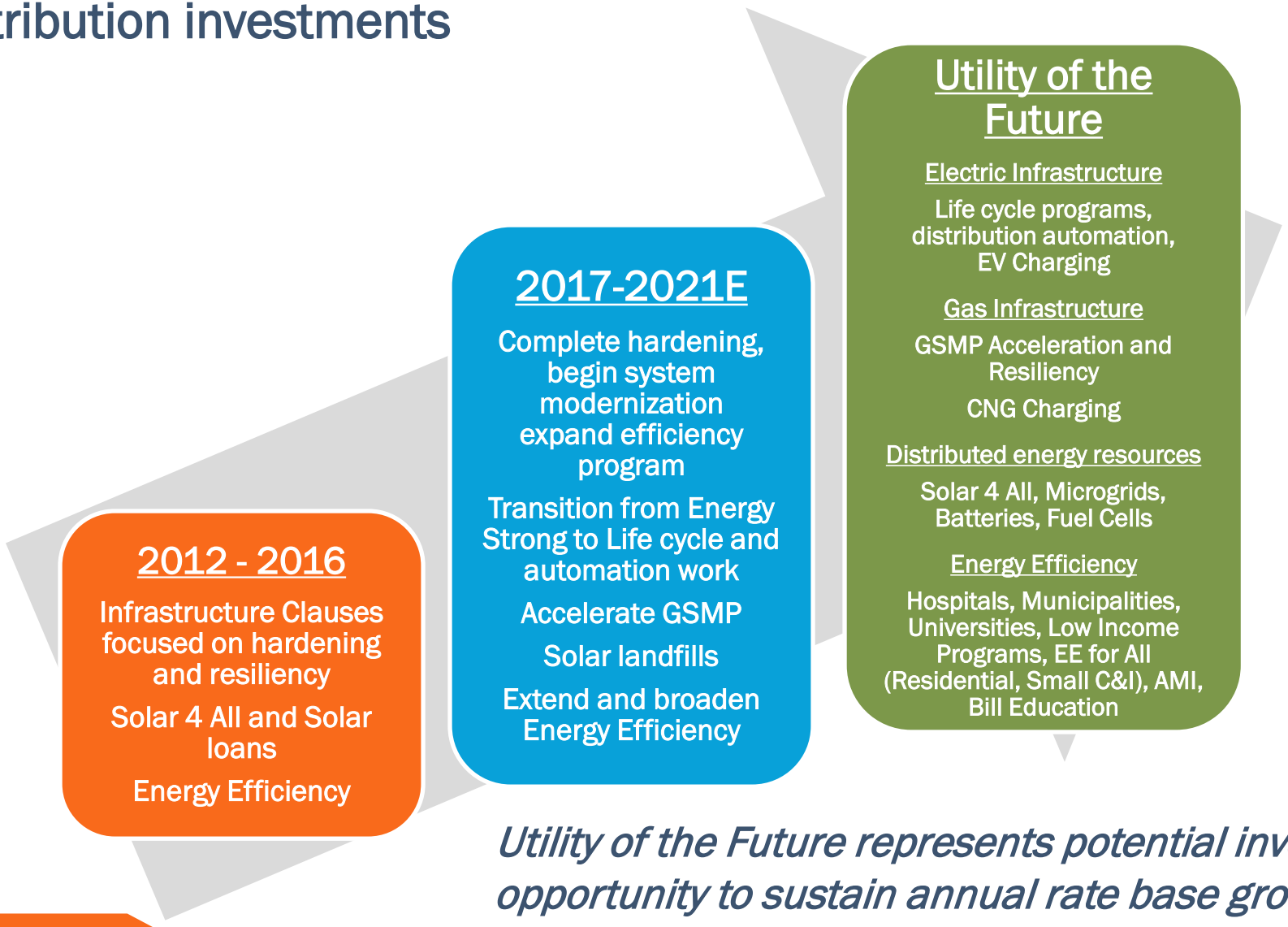
E = ESTIMATE. DATA AS OF MARCH 2017. CAGR = COMPOUND ANNUAL GROWTH RATE. INCLUDES AFUDC.

Expansion/Extension of existing baseline programs would yield 9% compound annual growth in rate base



E = ESTIMATE. DATA AS OF MARCH 2017. CAGR = COMPOUND ANNUAL GROWTH RATE. INCLUDES AFUDC.

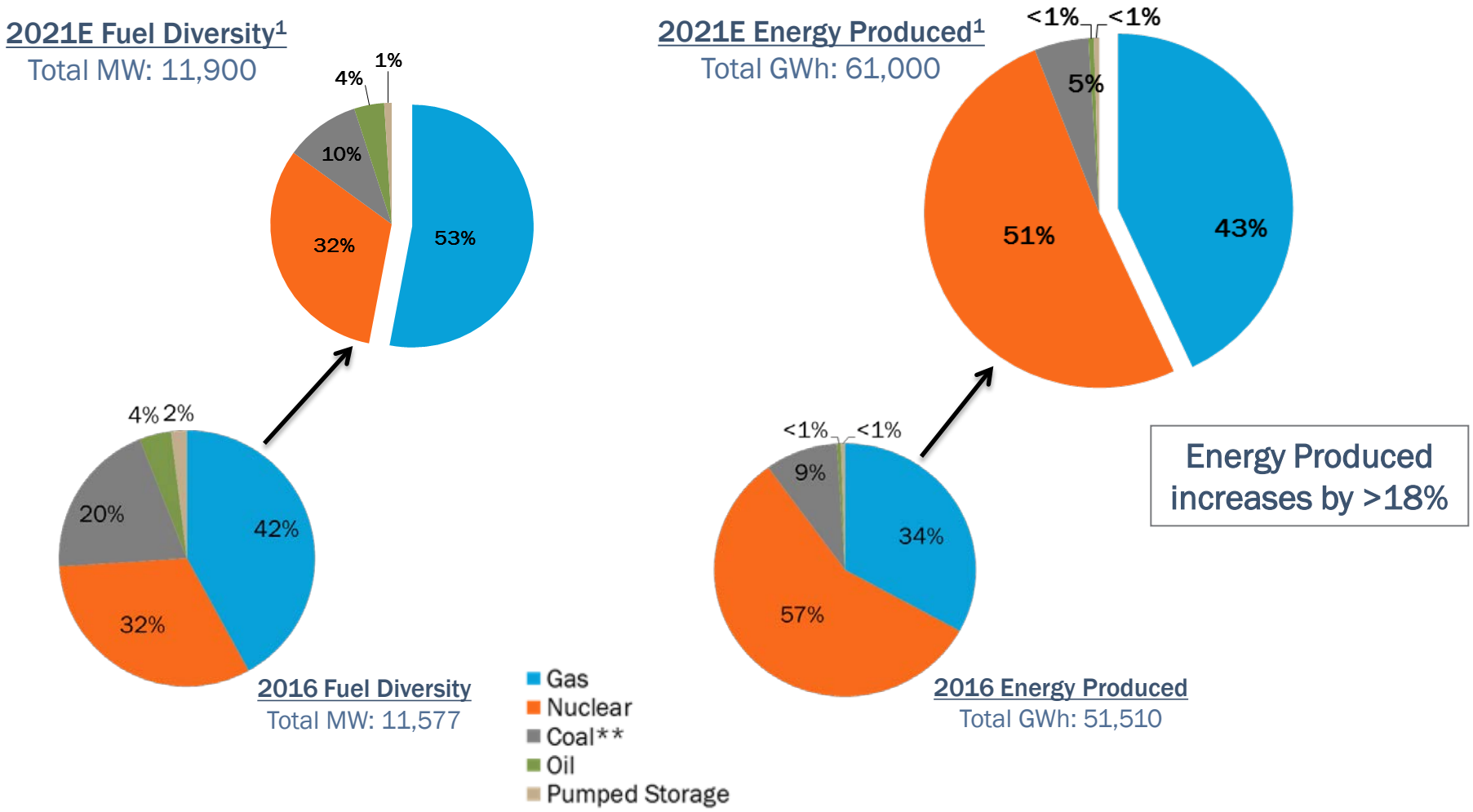
PSE&G Investment Evolution: System needs, customer expectations and public policy objectives drive need for continued and increasing Distribution investments



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

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

Projected Fleet Comparison 2016 to 2021E



[1] REFLECTS RETIREMENT OF HUDSON AND MERCER UNITS ON JUNE 1, 2017.
ALL PERIODS EXCLUDE SOLAR (257 MW_{AC}) CAPACITY AND KALAELOA (104 MW) CAPACITY / ENERGY PRODUCED.
**2016 COAL INCLUDES NEW JERSEY UNITS THAT FUEL SWITCH TO GAS. E= ESTIMATE.

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

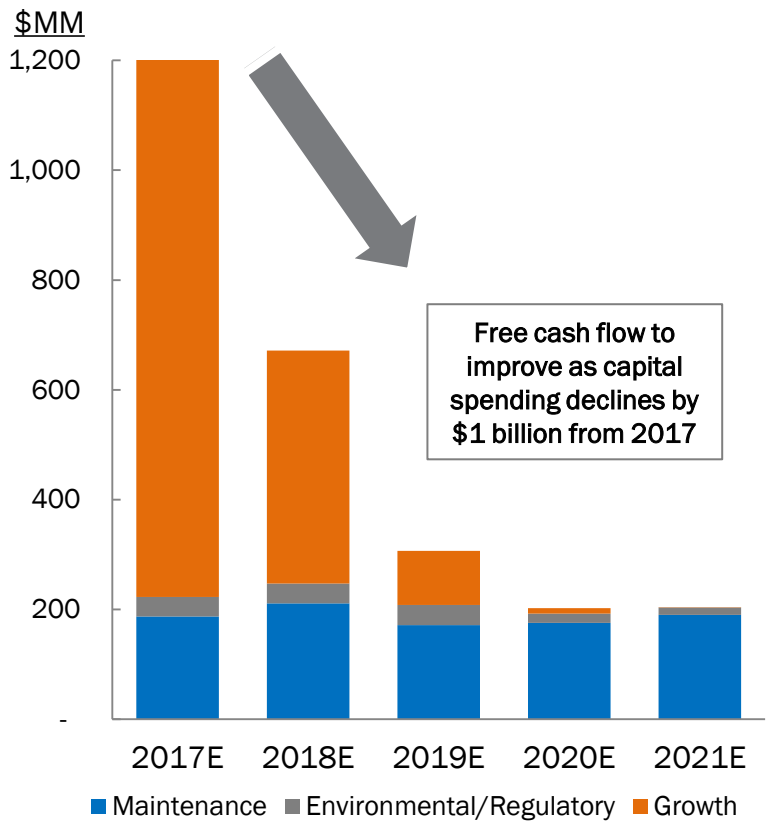
ISO New England's Forward Capacity Market Auction Results					
Delivery Year	**2016/2017**	**2017/2018**	**2018/2019**	**2019/2020**	**2020/2021**
Power's Average Prices ($/MW-day)	$104	$232	$315	$231	$195
Power's Cleared Capacity (MW)	777	848	831	1,333	1,333

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

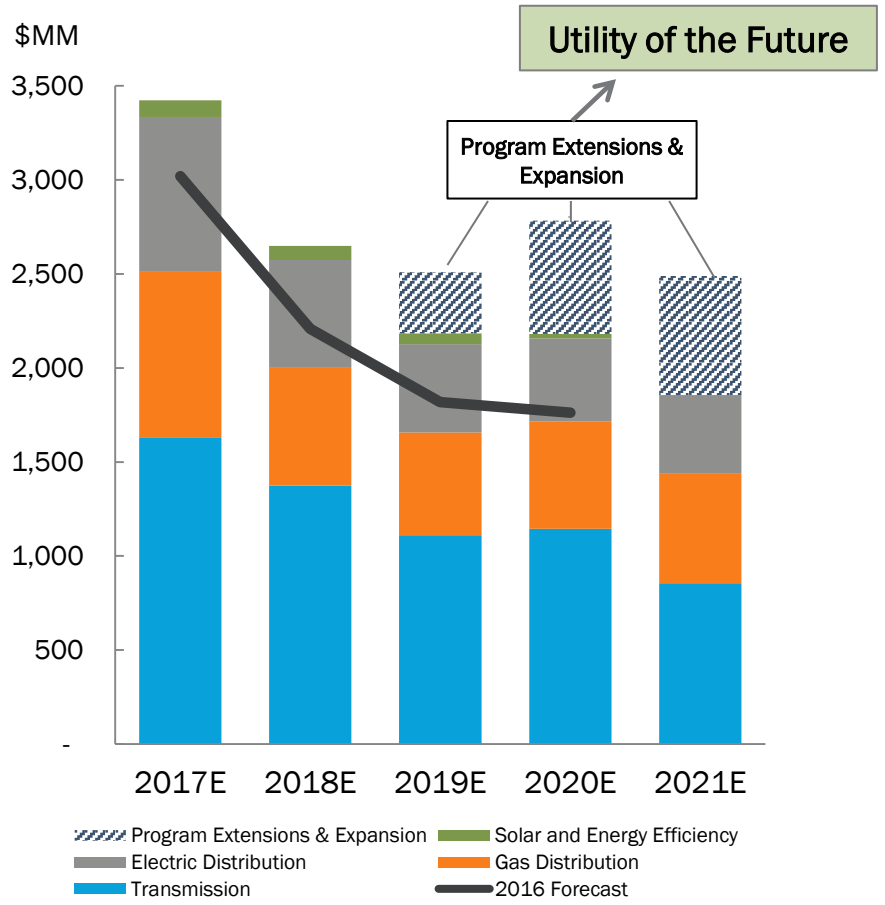
*PSEG POWER'S AVERAGE PRICES AND CLEARED CAPACITY (MW) REFLECT BASE AND INCREMENTAL AUCTIONS. DELIVERY YEARS RUN FROM JUNE 1 TO MAY 31 OF THE NEXT CALENDAR YEAR.

Power's free cash flow improves as construction program ends, providing funding for growth

PSEG Power
2017E – 2021E Capital Spending (1)

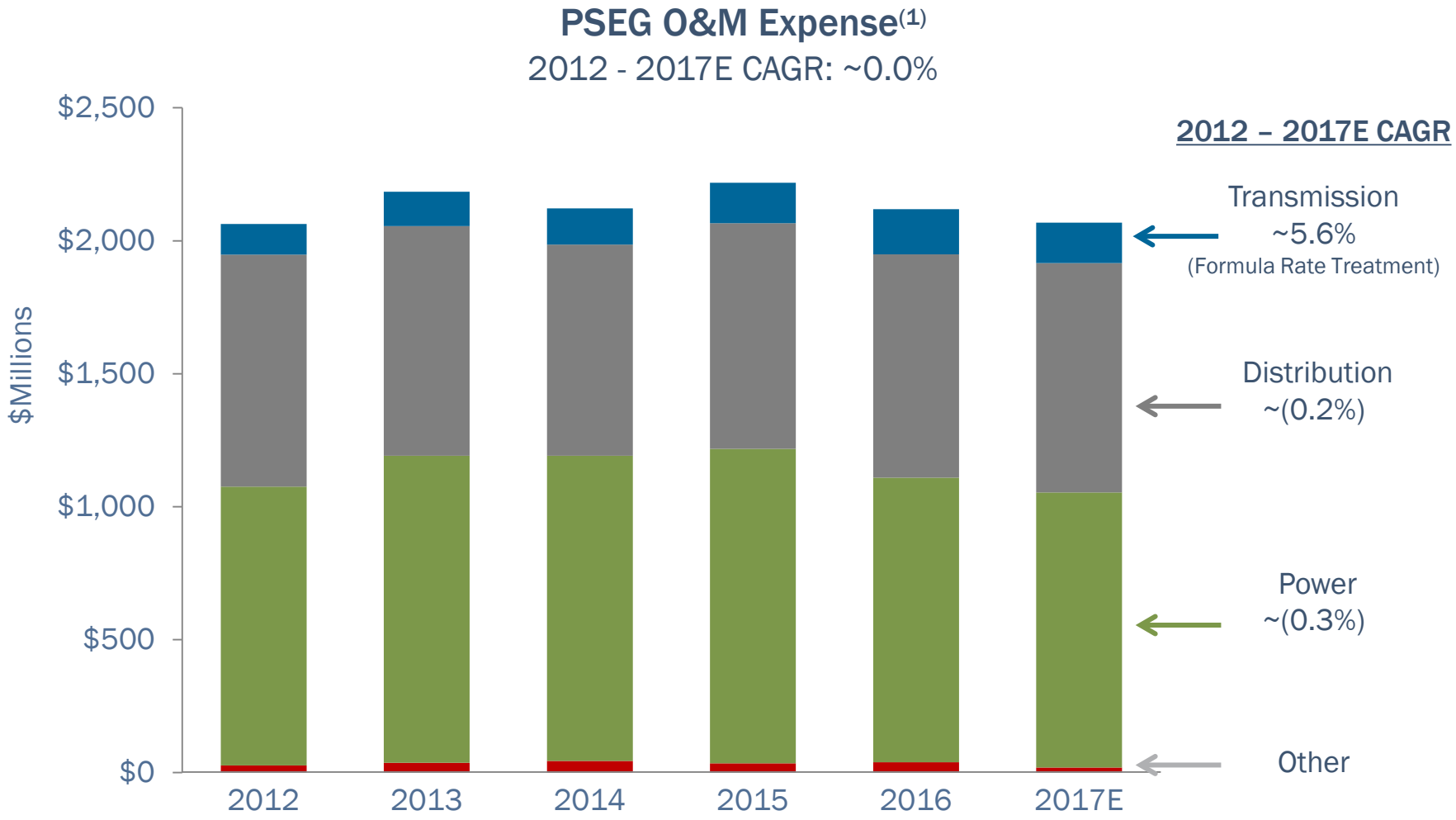


PSE&G
2017E – 2021E Capital Spending (1)



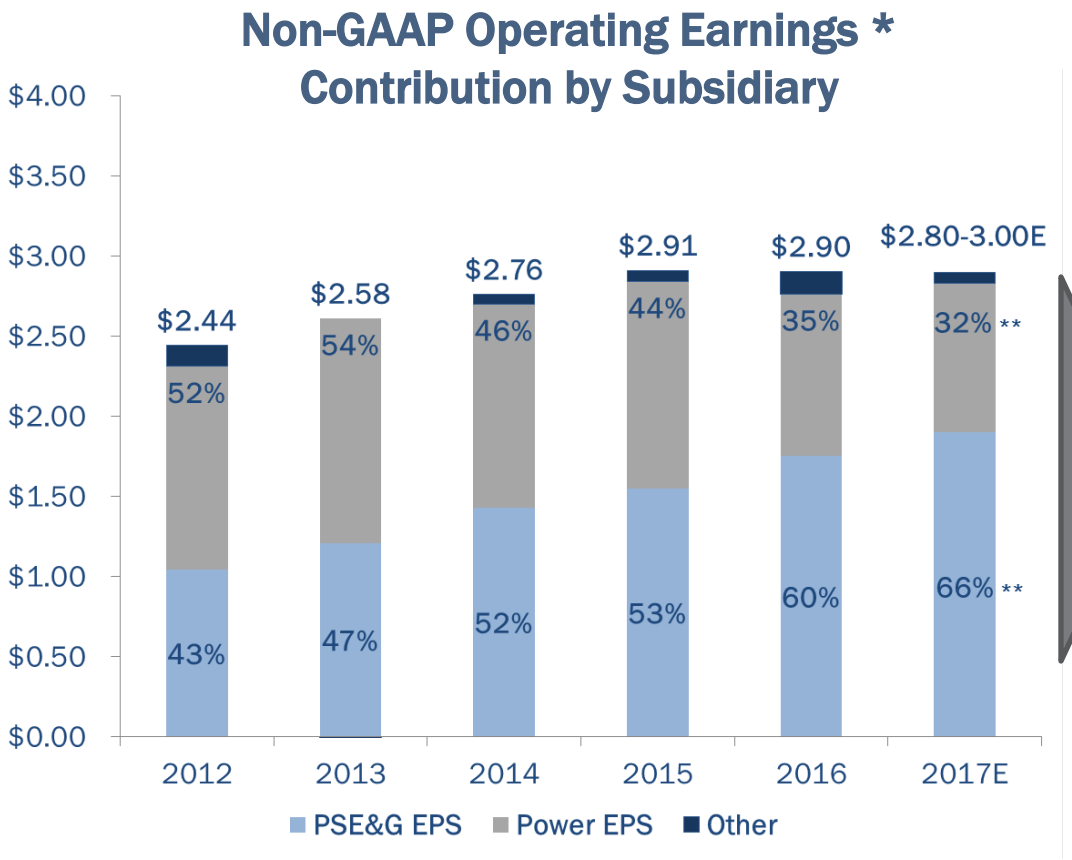
(1) CAPITAL INCLUDES IDC AND AFUDC. E = ESTIMATE.

PSEG has demonstrated an ability to control O&M



(1) POWER EXCLUDES IMPACTS FROM STORM RECOVERY COSTS AND THE HUDSON / MERCER EARLY RETIREMENT WRITE-DOWN, DISTRIBUTION EXCLUDES ELECTRIC AND GAS BAD DEBT. E = ESTIMATE.

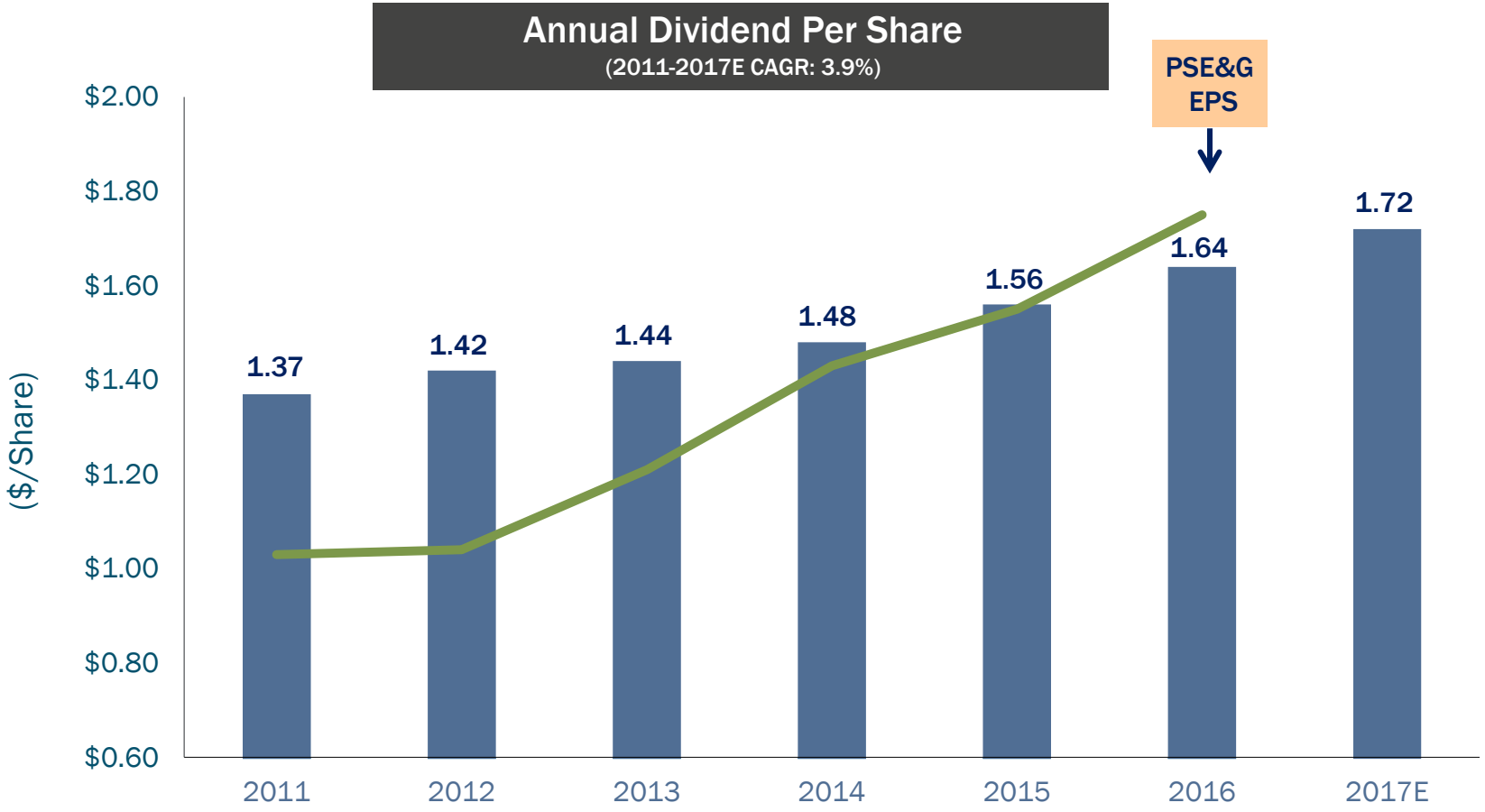
Re-affirming 2017 Operating Earnings Guidance – PSE&G expected to contribute 66% of operating earnings



PSEG Non-GAAP Operating Earnings	
$ Millions (except EPS)	2017E Guidance
PSE&G	$945 - $985
PSEG Power	$435 - $510
Enterprise/Other	$35
Operating Earnings*	$1,415 - $1,530
*Operating EPS**	$2.80 - $3.00E

*SEE SLIDE A FOR ITEMS EXCLUDED FROM NET INCOME TO RECONCILE TO NON-GAAP OPERATING EARNINGS. **BASED ON MIDPOINT OF 2017 NON-GAAP OPERATING EARNINGS GUIDANCE OF $2.80 - $3.00 PER SHARE. E= ESTIMATE.

Opportunity for consistent and sustainable dividend growth



PSEG's Value Proposition

- A stable platform with a $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
- 110-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

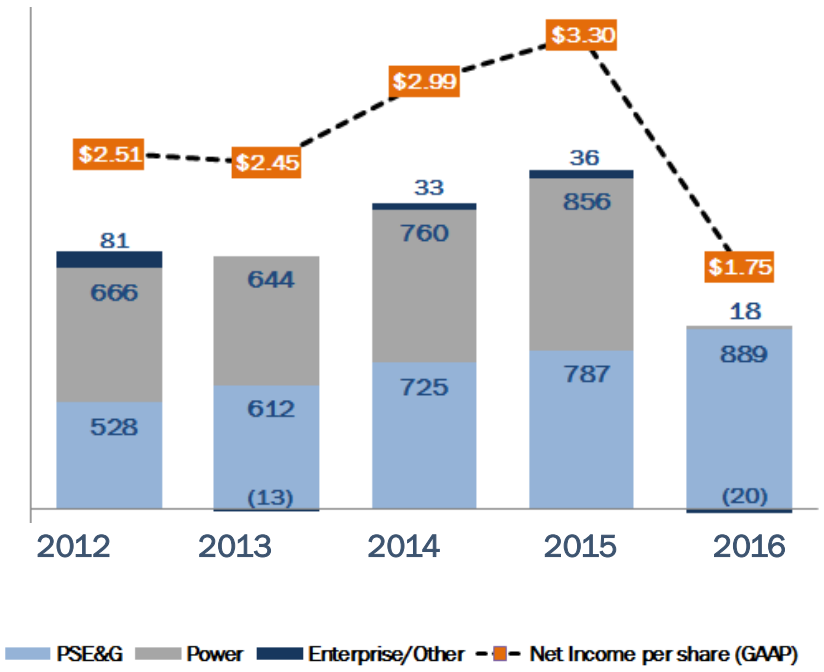
PSEG FINANCIAL APPENDIX

PSEG

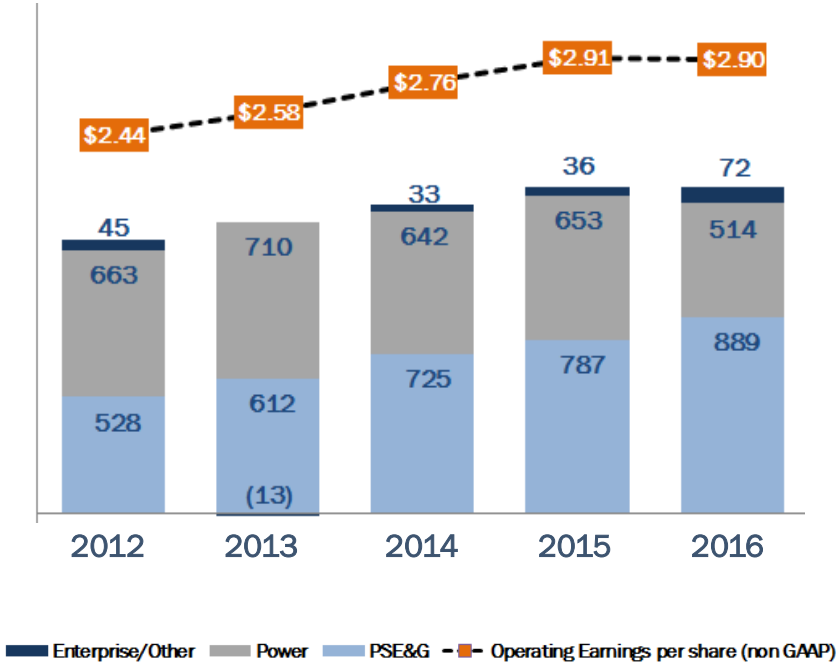
We make things work for you.

PSEG 5 – Year Results

GAAP: Contribution to
PSEG Net Income ($ Millions)
and Net Income per share ($/Share)



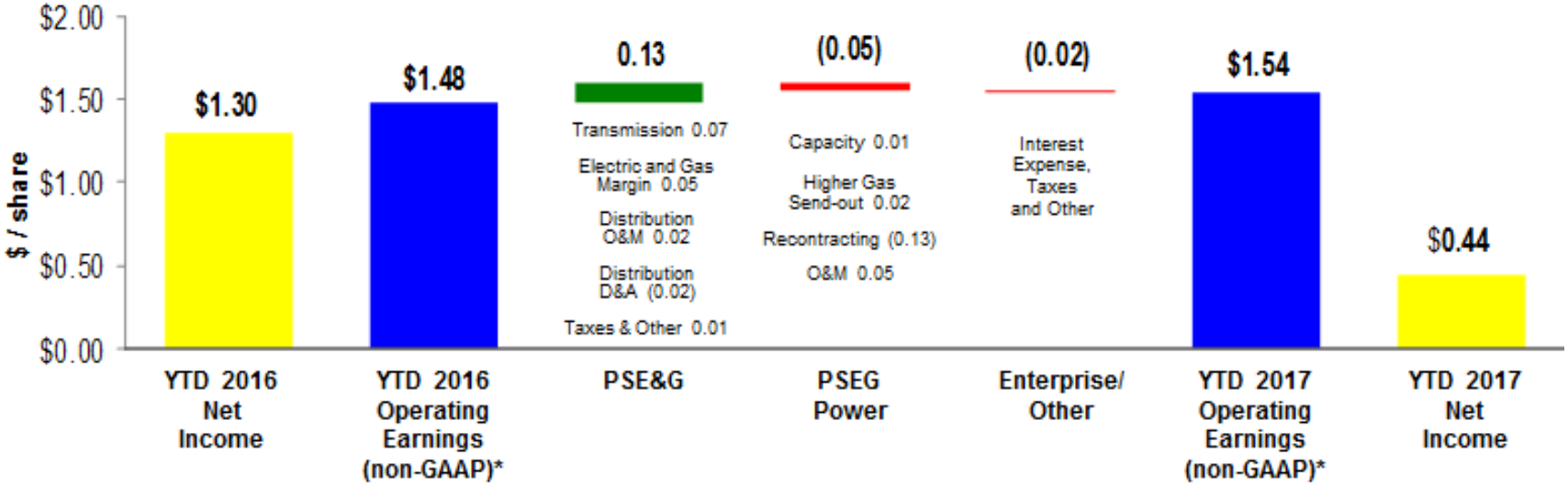
Non-GAAP*: Contribution to
PSEG Operating Earnings ($ Millions)
and Operating Earnings per share ($/Share)



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

PSEG EPS Reconciliation – First Half 2017 versus First Half 2016

Utility investment and cost control drove year-to-date growth



* SEE SLIDES A AND B FOR ITEMS EXCLUDED FROM NET INCOME TO RECONCILE TO OPERATING EARNINGS (NON-GAAP).

PSEG – Q2 Financial Results by Subsidiary

PSEG First Half EPS Summary – Six months ended June 30

GAAP Net Income/(Loss)	2017	2016	Change
PSE&G	$ 1.00	$ 0.87	$ 0.13
PSEG Power	$ (0.53)	$ 0.36	$ (0.89)
PSEG Enterprise/Other	$ (0.03)	$ 0.07	$ (0.10)
Total PSEG	$ 0.44	$ 1.30	$ (0.86)

Non-GAAP Operating Earnings*	2017	2016	Change
PSE&G	$ 1.00	$ 0.87	$ 0.13
PSEG Power	$ 0.49	$ 0.54	$ (0.05)
PSEG Enterprise/Other	$ 0.05	$ 0.07	$ (0.02)
Total PSEG*	$ 1.54	$ 1.48	$ 0.06

*SEE SLIDES A AND B FOR ITEMS EXCLUDED FROM NET INCOME/(LOSS) TO RECONCILE TO OPERATING EARNINGS (NON-GAAP) FOR PSEG POWER AND PSEG ENTERPRISE/OTHER.

PSE&G: Energy Efficiency Approval and GSMP II Filing Support Long-term Regulatory and Policy Objectives

PSE&G's recent filing to extend its Gas System Modernization Program (GSMP) and the recent approval of its proposed extension of the Energy Efficiency investment program reinforce PSE&G's commitment to provide clean, reliable energy for its customers

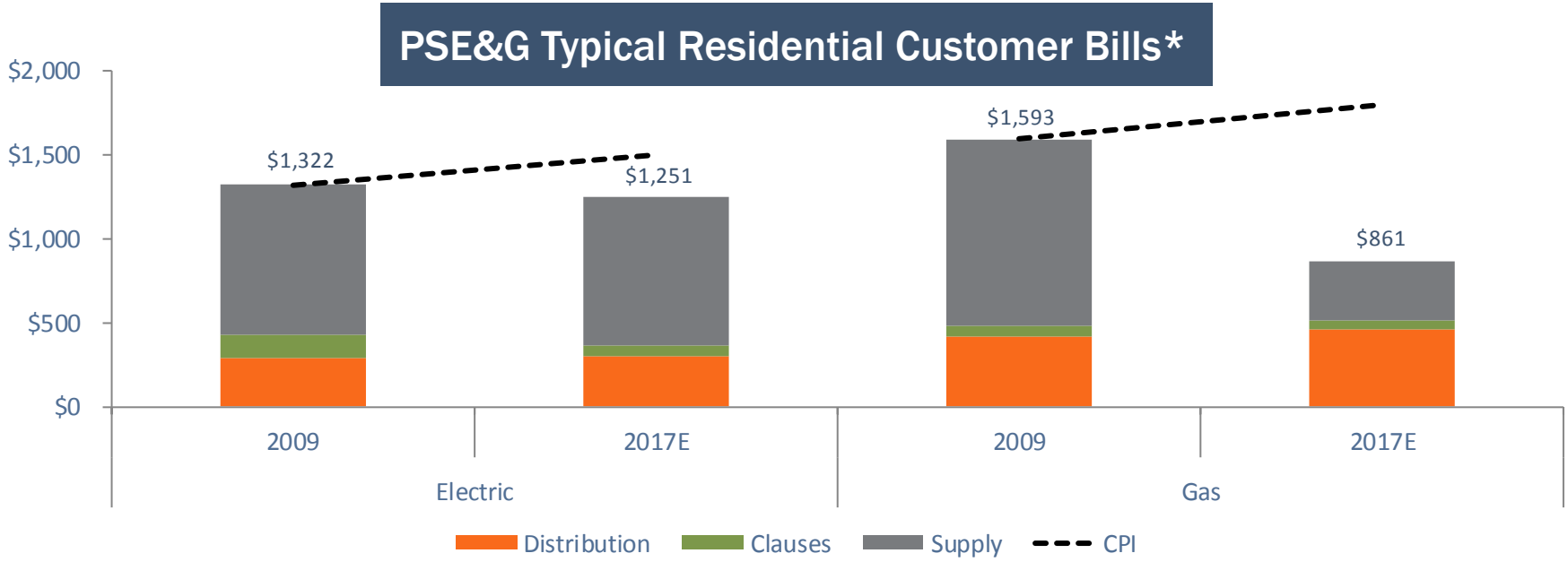
Gas System Modernization Program II

In July, PSE&G filed for a 5-year extension of the GSMP which would accelerate the pace of replacement of its aging cast iron and unprotected steel mains and associated service. PSE&G is proposing to invest approximately $540 million per year, or up to $2.7 billion, over the 5-year program beginning in 2019. The filing is consistent with the draft regulations that the BPU issued in June regarding Infrastructure Investment Programs.

Energy Efficiency

The BPU has approved PSE&G's agreement with BPU Staff and Rate Counsel to extend its investment in Energy Efficiency. Under the agreement, PSE&G would invest $69 million in energy efficiency equipment for hospitals, multi-family housing and other sectors and a residential energy efficiency offering for smart thermostats and data analytics. The agreement represents more than 90% of PSE&G's request.

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



- Combined electric and gas bills declined ~28% over the 2009-2017 period
  - Also provided BGSS bill credits totaling ~$590 per customer since 2012
  - Low gas prices and elimination of transition charges drove rate decreases
- Regional price comparison** Gas is 2nd lowest and Electric is lower than average
- Investing at the Utility of the Future level – would take about a decade to equal the 2009 bill rates (adjusted for growth in CPI/disposable income)

*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.

Reconciliation of Non-GAAP Operating Earnings

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

Reconciling Items	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,				
	2017	2016	2017	2016	2016	2015	2014	2013	2012
	($ millions, Unaudited)								
Net Income (Loss)	$ 109	$ 187	$ 223	$ 658	$ 887	$ 1,679	$ 1,518	$ 1,243	$ 1,275
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax (PSEG Power)	(30)	-	(47)	8	(5)	(24)	(138)	(86)	(104)
(Gain) Loss on Mark-to-Market (MTM), pre-tax[a] (PSEG Power)	(36)	171	(46)	149	168	(157)	(111)	125	18
Storm O&M, net of insurance recoveries, pre-tax (PSEG Power)	-	-	-	-	-	(172)	27	54	66
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	387	-	951	-	669	-	-	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	22	-	77	-	147	-	-	-	(61)
Income Taxes related to Operating Earnings (non-GAAP) reconciling items[b]	(136)	(69)	(376)	(63)	(391)	150	104	(27)	42
Operating Earnings (non-GAAP)	$ 316	$ 289	$ 782	$ 752	$ 1,475	$ 1,476	$ 1,400	$ 1,309	$ 1,236
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	508	507	508	508	508	508	508	507
	($ Per Share Impact - Diluted, Unaudited)								
Net Income (Loss)	$ 0.22	$ 0.37	$ 0.44	$ 1.30	$ 1.75	$ 3.30	$ 2.99	$ 2.45	$ 2.51
(Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power)	(0.06)	-	(0.09)	0.01	(0.01)	(0.05)	(0.27)	(0.17)	(0.21)
(Gain) Loss on MTM, pre-tax[a] (PSEG Power)	(0.07)	0.34	(0.09)	0.29	0.33	(0.31)	(0.22)	0.25	0.04
Storm O&M, net of insurance recoveries, pre-tax (PSEG Power)	-	-	-	-	-	(0.34)	0.05	0.11	0.13
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	0.77	-	1.87	-	1.32	-	-	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	0.04	-	0.15	-	0.29	-	-	-	(0.12)
Income Taxes related to Operating Earnings (non-GAAP) reconciling items[b]	(0.28)	(0.14)	(0.74)	(0.12)	(0.78)	0.31	0.21	(0.06)	0.09
Operating Earnings (non-GAAP)	$ 0.62	$ 0.57	$ 1.54	$ 1.48	$ 2.90	$ 2.91	$ 2.76	$ 2.58	$ 2.44

(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 funds.

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

PSEG Power Operating Earnings (non-GAAP) and Adjusted EBITDA (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,
	2017	2016	2017	2016	2016
	($ millions, Unaudited)				
Net Income (Loss)	$ (97)	$ (11)	$ (267)	$ 181	$ 18
(Gain) Loss on NDT Fund Related Activity, pre-tax	(30)	-	(47)	8	(5)
(Gain) Loss on MTM, pre-tax [a]	(36)	171	(46)	149	168
Hudson/Mercer Early Retirement, pre-tax	387	-	951	-	669
Income Taxes related to Operating Earnings (non-GAAP) reconciling items [b]	(127)	(69)	(344)	(63)	(336)
Operating Earnings (non-GAAP)	$ 97	$ 91	$ 247	$ 275	$ 514
Depreciation and Amortization, pre-tax [c]	87	81	179	161	329
Interest Expense, pre-tax [c] [d]	12	20	28	42	83
Income Taxes [c]	65	58	166	181	275
Adjusted EBITDA (non-GAAP)	$ 261	$ 250	$ 620	$ 659	$ 1,201
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	508	507	508	508

(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.
(c) Excludes amounts related to Operating Earnings (non-GAAP) reconciling items.
(d) Net of capitalized interest.

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

Reconciling Items	Three Months Ended June 30,		Six Months Ended June 30,		Year-Ended December 31,
	2017	2016	2017	2016	2016
	($ millions, Unaudited)				
Net Income (Loss)	$ (2)	$ 19	$ (17)	$ 36	$ (20)
Lease Related Activity, pre-tax	22	-	77	-	147
Income Taxes related to Operating Earnings (non-GAAP) reconciling items [a]	(9)	-	(32)	-	(55)
Operating Earnings (non-GAAP)	$ 11	$ 19	$ 28	$ 36	$ 72
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	508	507	508	508

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