October 2019 PSEG Investor Review



• NYSE: PEG •

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 2018 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;
- PSE&G's proposed investment programs may not be fully approved by regulators and its capital investment may be lower than planned;
- 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, and PSE&G's ability to recover costs and earn returns on authorized investments;
- the impact of any future rate proceedings;
- risks associated with our ownership and operation of nuclear facilities, including regulatory risks, such as compliance with the Atomic Energy Act and trade control, environmental and other regulations, as well as financial, environmental and health and safety risks;
- the impact on our New Jersey nuclear plants if such plants are not selected to participate in future Zero Emission Certificate (ZEC) programs or if adverse changes are made to the capacity market construct;
- 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 PSEG 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, obtain regulatory approval for, 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.

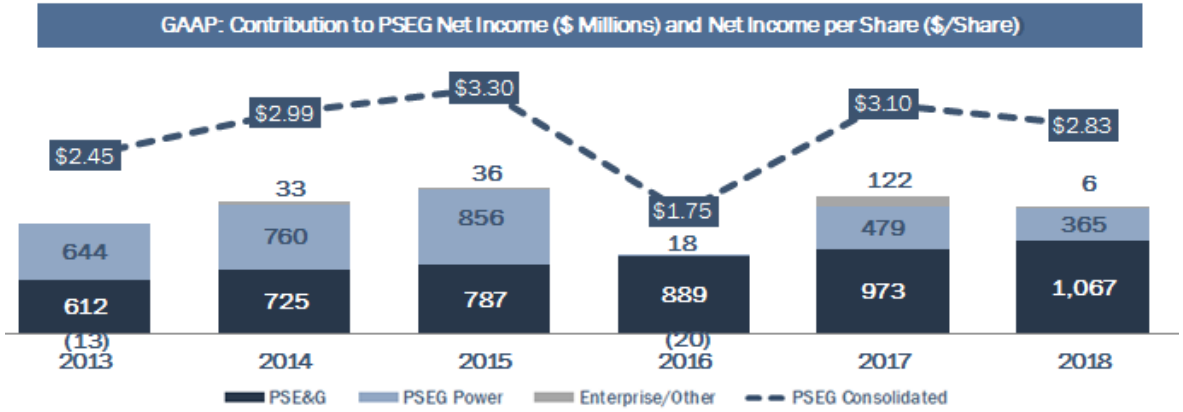
The forward-looking statements contained in this presentation are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

GAAP Disclaimer

PSEG presents Operating Earnings and, for PSEG Power, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) in addition to 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 herein 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 30, 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 and/or Really Simple Syndication (RSS) feeds regarding new postings at https://investor.pseg.com/rss.

PSEG STRATEGY:

BUILDING A SUSTAINABLE, FINANCIALLY SOUND ENERGY INFRASTRUCTURE COMPANY




PSE&G Represents
~75% of Non-GAAP Operating Earnings Guidance
$0.08 Increase in Indicative 2019 Common Dividend
Member of Dow Jones Sustainability Index for 12 Years in a Row
Promoting Sound Energy Policy
116 Years Investing in NJ's Critical Energy Infrastructure
5–Year Investment Program Provides Opportunity for 7.5%-8.5% CAGR in PSE&G Rate Base
PSEG

A 116 year Newark-based business investing in critical energy infrastructure, providing safe and increasingly clean energy through two strong businesses



Electric & Gas Distribution and Transmission

Strategy: Investments support reliability and customer expectations and are aligned with public policy

Value Proposition: A $12 Billion - $14.5 Billion infrastructure program expected to produce 7.5% - 8.5% annual compound rate base growth through 2023

2018 Assets $31B
Net Income $1,067M



Regional Competitive Generation

Strategy: Reliable, highly efficient, carbon-advantaged fleet based on nuclear & new combined cycle gas turbines (CCGTs)

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

2018 Assets $13B
Net Income $365M
Non-GAAP Operating Earnings* $502M

ASSETS, OPERATING EARNINGS AND NET INCOME ARE FOR THE YEAR ENDED 12/31/2018. PSE&G AND PSEG POWER DO NOT ADD TO TOTAL DUE TO PSEG ENTERPRISE / OTHER ACTIVITY.
*SEE SLIDE B FOR A RECONCILIATION OF NET INCOME TO NON-GAAP OPERATING EARNINGS FOR PSEG POWER

Our PSEG focus – day in, day out

Operational Excellence

- **PSE&G:** 17 consecutive years of recognition as the most reliable utility in the Mid-Atlantic region
- **PSEG Power:** Fleet is more efficient and cleaner
- **PSEG Long Island:** Improved customer service and reliability while managing costs
- **PSEG:** Maintaining focus on safety, cost control and Environmental, Social and Governance (ESG) considerations

Financial Strength

- **2019 non-GAAP Operating Earnings guidance:** $3.15 - $3.35 per share, +4% from $3.12 in 2018*
- **Cash flows and business mix:** Support credit ratings and ability to fully fund robust investment pipeline with no need to issue equity
- **Taxes:** Returning tax benefits to customers
- **Dividend:** Increased indicative common dividend by $0.08 to $1.88 per share in February 2019, the 15th increase in the last 16 years

Disciplined Investment

- **PSEG:** Capital allocation drives shift in business mix
- **PSE&G capital program:**
  - 7.5% - 8.5% annual rate base growth over 2019E - 2023E
  - Settlement reached in Energy Strong II
  - Agreement to extend Clean Energy Future – Energy Efficiency regulatory schedule into March 2020
- **PSEG Power:** Mid-2019 conclusion of CCGT construction program with Bridgeport Harbor #5 commercial operations to improve free cash flow

*BASED ON THE MID-POINT OF 2019 NON-GAAP OPERATING EARNINGS GUIDANCE OF $3.15 TO $3.35 PER SHARE. SEE SLIDE A FOR A RECONCILIATION OF NET INCOME TO NON-GAAP OPERATING EARNINGS, SLIDE B FOR RECONCILIATIONS FOR PSEG POWER, AND SLIDE C FOR PSE&G AND PSEG ENTERPRISE/OTHER. E=ESTIMATE.

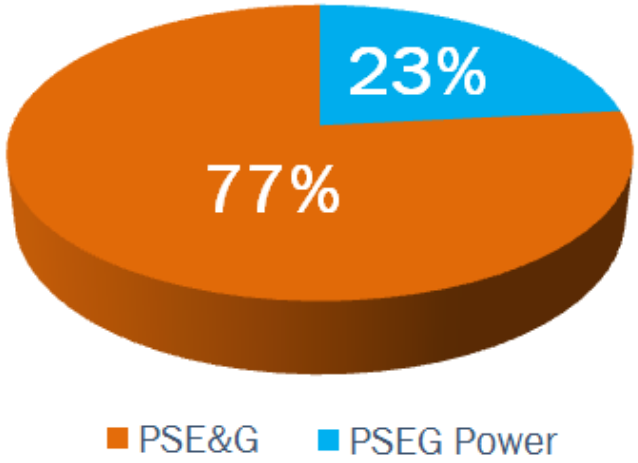
PSEG Investment Platform – outlook increases capital allocation to the utility, addressing infrastructure needs, customer expectations and public policy

PSEG Capital Spending

Capital allocation to PSE&G grows from 77% to over 90%, furthering the shift in the business mix

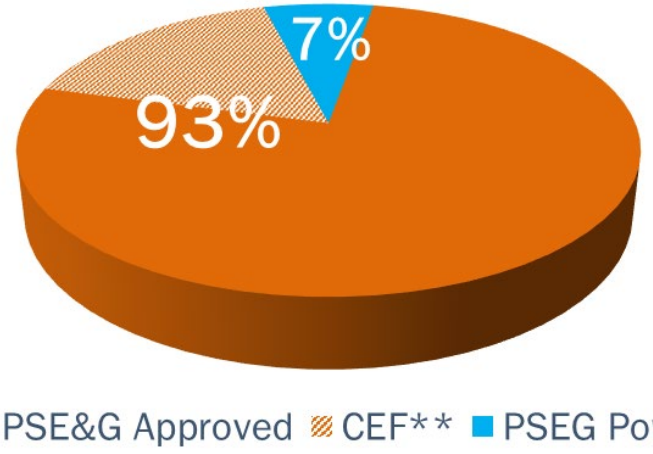
2014–2018

~$19 Billion



2019E–2023E*

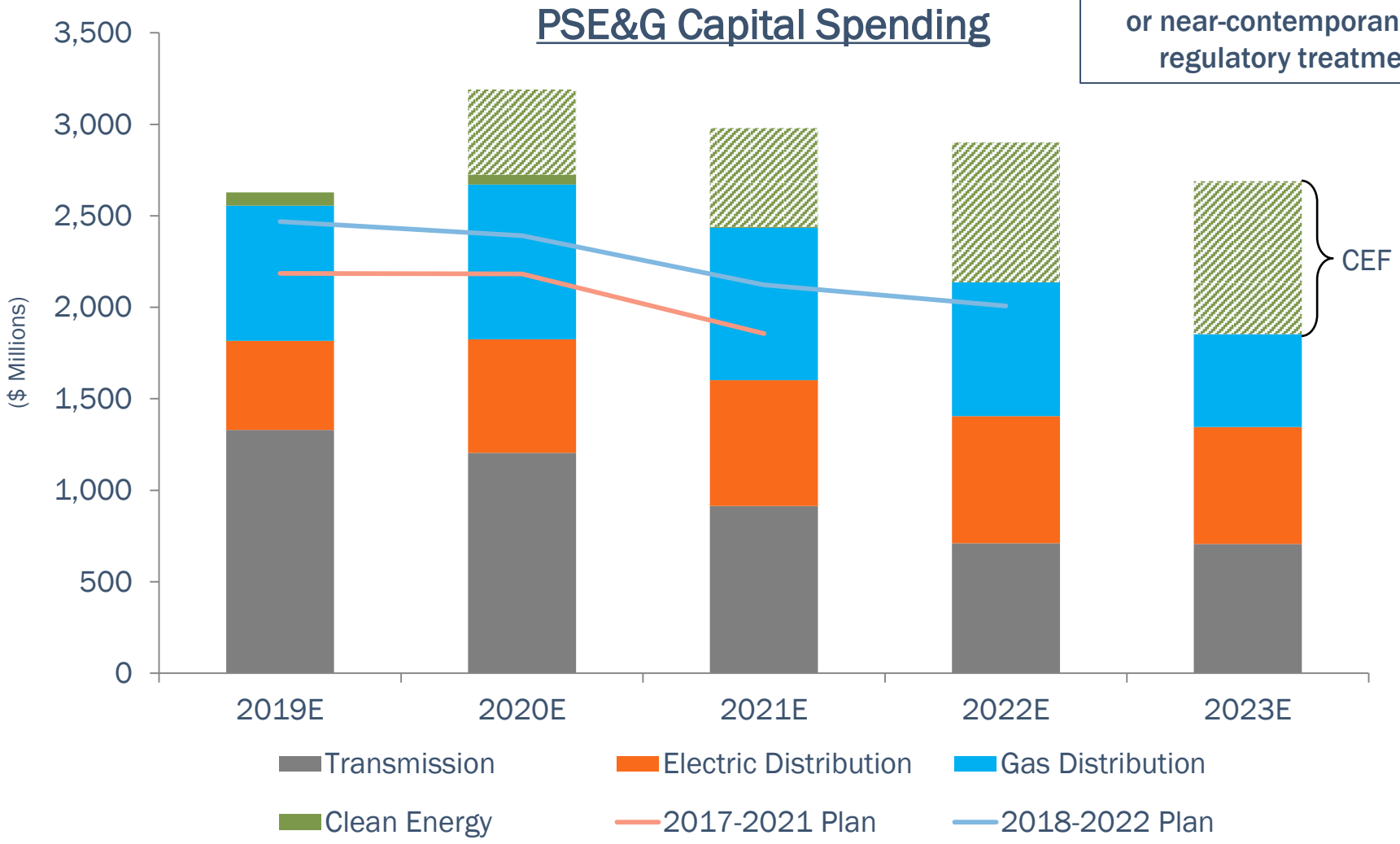
~$13 - $15.5 Billion



*2019E-2023E GRAPHIC REPRESENTS $15.5B
**CEF - CLEAN ENERGY FUTURE FILING
BOTH CHARTS EXCLUDE SERVICE COMPANY CAPITAL SPENDING WHICH IS LESS THAN $0.3B E=ESTIMATE

PSE&G's $12B - $14.5B investment program focused on reliability, resiliency, grid modernization and clean energy

Over 90% of investment receiving contemporaneous or near-contemporaneous regulatory treatment



INCLUDES AFUDC. HASHED PORTION OF THE CHART REPRESENTS CEF FILINGS. CEF FILINGS UPDATED TO REFLECT AN AGREEMENT IN PRINCIPLE TO EXTEND THE MATTER INTO 2020. NO CHANGE TO TOTAL FILING POSITION. E = ESTIMATE. CHART UPDATED JULY 30, 2019

NJ has advanced its clean energy agenda …

New Jersey's clean energy goals include:

- **50% renewables by 2030**
- **100% clean energy by 2050**

Carbon Free Nuclear Energy

- NJBPU ZEC Order
- PSEG Power
  ZECs preserve 90% source of NJ's carbon free generation

Offshore Wind

- NJBPU awarded 1,100 MW RFP to Ocean Wind Project
- PSEG
  providing support to NJ offshore wind

Solar

- NJBPU Study Ongoing
- PSE&G
  is NJ's largest investor in solar

Energy Efficiency

- NJBPU EMP
- PSE&G
  CEF-EE

Energy Storage

- NJBPU EMP
- PSE&G
  CEF-ES

Electric Vehicle Infrastructure

- NJBPU EMP
- PSE&G
  CEF-EV

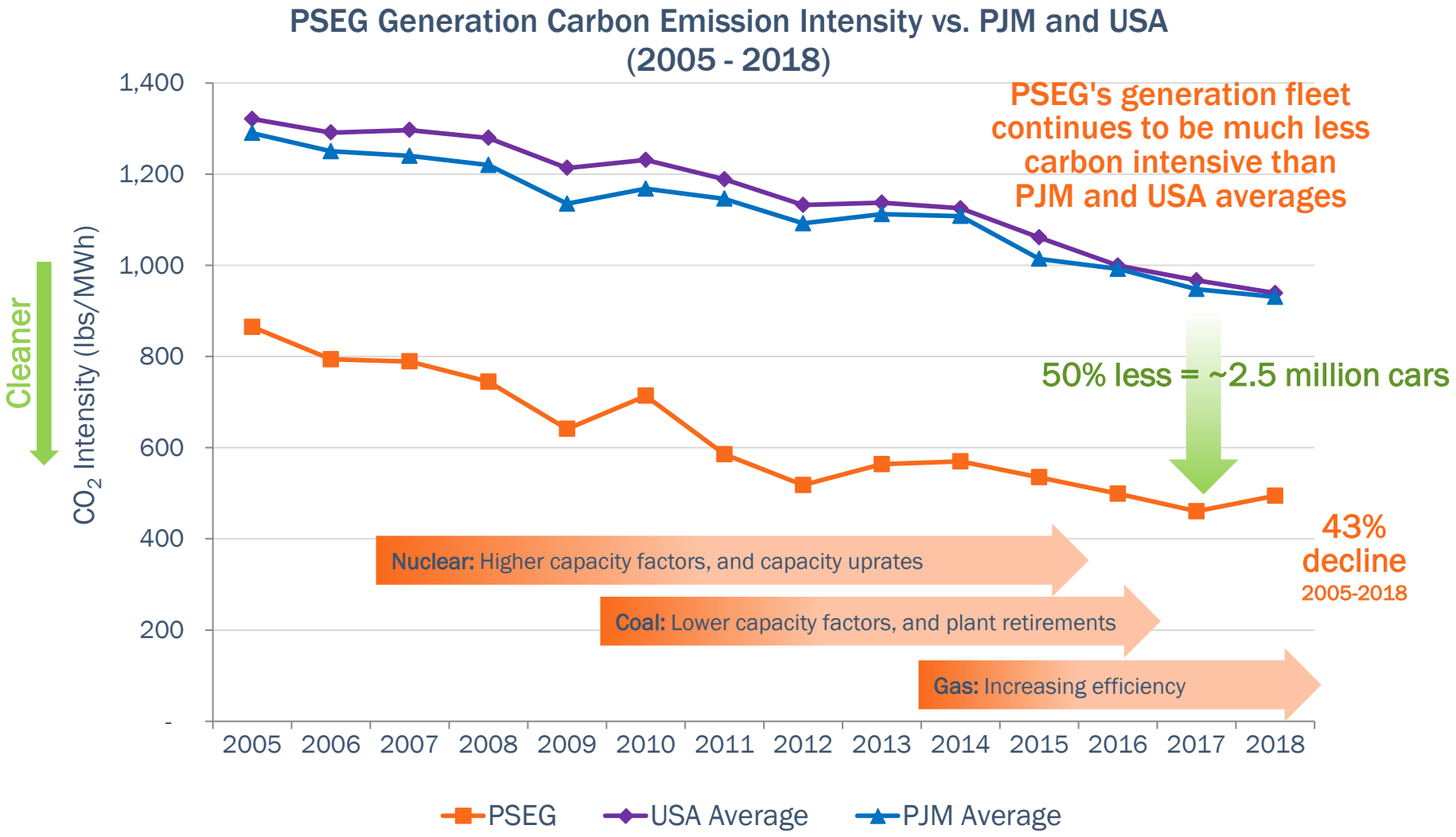
… and PSEG's investment strategy is aligned with these objectives.

EMP=NEW JERSEY ENERGY MASTER PLAN; ES=ENERGY STORAGE; EV=ELECTRIC VEHICLES

New Jersey is working to balance the interests of its stakeholders while advancing the state's energy goals

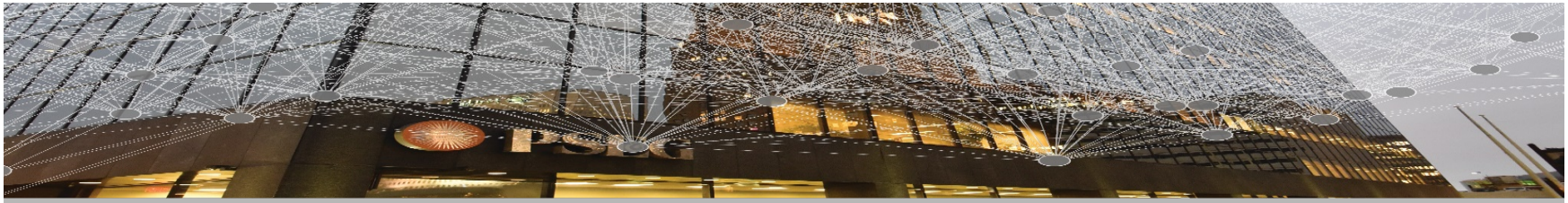
- **Constructive outcome for 2018 distribution base rate case**
  - ✓ First rate review in eight years settled in ten months
  - ✓ Rates essentially flat
  - ✓ ROE of 9.6%; credit supportive equity layer of 54%
  - ✓ Next distribution base rate filing no later than December 2023
- **Streamlined recovery mechanism incentivizes infrastructure investment via IIP**
  - ✓ Infrastructure Investment Program (IIP) recovery mechanism adopted January 2018; foundation for long-term infrastructure programs (up to 5 years) related to safety, reliability and/or resiliency via accelerated recovery of spend above baseline
  - ✓ Basis for Gas System Modernization Program (GSMP II) settlement May 2018: $1.9 billion/5 years to replace 875 miles of aging gas distribution infrastructure
  - ✓ Energy Strong II (ES II) settlement for $842 million through December 2023 ($692 million through accelerated recovery mechanism) for hardening, resiliency and grid modernization
- **Updates to notable items before the NJ Board of Public Utilities**
  - ✓ NJBPU released draft EMP in June; final expected by year-end 2019
  - ✓ NJBPU awarded New Jersey's first offshore wind generation solicitation to Ørsted's 1,100 MW Ocean Wind project
  - ✓ PSEG's Clean Energy Future -- Energy Efficiency (CEF-EE) filing pending – procedural schedule extended to March 2020
    - Pursuing decoupling to support broader access to achieve NJ energy savings goals

Climate Strategy – PSEG Power's fleet transformation is addressing climate change



NOTE: 2005 IS PSEG' S BASELINE YEAR.

PSEG is committed to real reductions in PSEG Power's CO_2 intensity and emissions and strengthening PSE&G's system to withstand a climate challenged world



PSEG is Powering Progress

To find out more, visit www.pseg.com/poweringprogress

Reducing CO_2 Intensity/Emissions

- New goal to cut PSEG Power's CO_2 emissions 80% by 2046 from 2005 levels, and achieve net-zero CO_2 emissions by 2050, assuming advances in technology and public policy
- PSE&G is a leader in methane reduction through Gas System Modernization Program; founding partner of EPA's Methane Challenge
- Advocating for a national price on carbon
- Plans to sell or retire all PSEG Power's coal generation by mid-2021
- No plans to build or buy new fossil generation
- Third lowest CO_2 emissions rate and top 10 producer of zero carbon generation(1)

Clean Energy & Resiliency

- Clean Energy Future – Energy Efficiency intended to expand energy efficiency offerings to the broadest set of customers at the least cost
- Continuing Energy Strong reliability and resiliency infrastructure improvements to minimize the impact of extreme weather events

Governance / ESG Disclosure

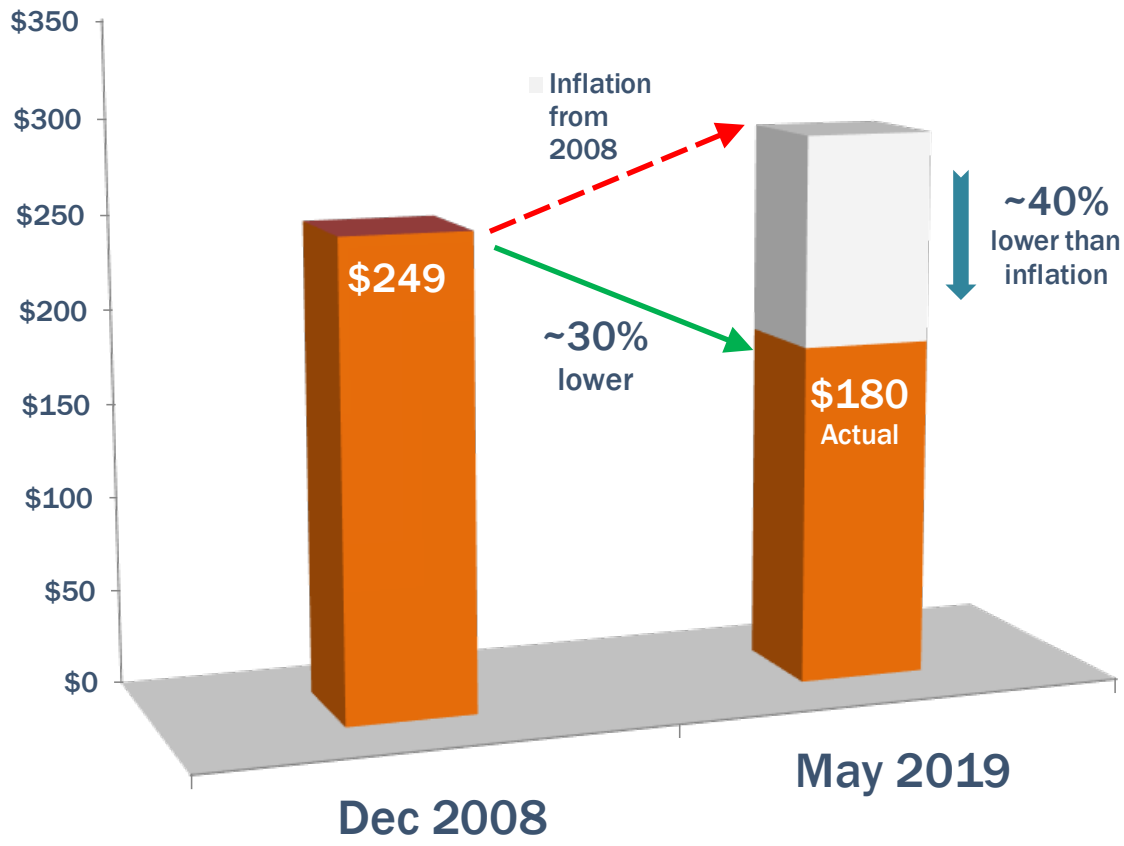
- Board of Directors oversees sustainability matters and the transition to a net-zero future
- Membership in CEO Climate Dialogue
- First PSEG Climate Report in 2020 to follow TCFD framework
- PSEG Annual Sustainability Report to be published in December 2019
- Recent CDP and EEI Template Updates in September 2019

TCFD=TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE. (1) SOURCE: MJ BRADLEY BENCHMARKING AIR EMISSIONS, JUNE 2019; CO_2 EMISSION RATE RANKINGS OF TOP 20 PRIVATELY / INVESTOR OWNED POWER PRODUCERS (BY TOTAL GENERATION) IN LB/MWH; ZERO-CARBON GENERATION RANKINGS OF TOP 100 LARGEST U.S. POWER PRODUCERS IN MILLION MWH.

Customer Focus – Customer's bills have declined, supporting needed investment in the system

PSE&G Typical Residential Customer Bill

Combined Typical Residential Electric and Gas Customer Bill Comparison 2008 to 2019 with Inflation



Cost impact of approved and proposed programs GSMP II, ES II, and CEF over next five years

~2% annual increase, yielding flat bills in real terms

NOTE: AVERAGE MONTHLY BILL FOR A TYPICAL RESIDENTIAL ELECTRIC CUSTOMER THAT USES 6,920 KILOWATT-HOURS PER YEAR AND A TYPICAL RESIDENTIAL GAS HEATING CUSTOMER THAT USES 1,040 THERMS PER YEAR. MAY 1, 2019 RATES REFLECT JUNE 1, 2019 BGS-RSCP SUPPLY CHARGES INCLUDING THE RESULTS OF THE 2019 BGS-RSCP AUCTION

Transmission: ~$5 Billion investment program focused on enhancing reliability and resiliency, and replacing aging infrastructure

PJM's Regional Transmission Expansion Plan (RTEP) identifies system enhancements needed for reliability

- **Reliability Criteria Violations:** upgrades to relieve network overloads
- **Transmission Hardening:** enhancements to system resiliency
- **Transmission Lifecycle:** asset end-of-life replacements to maintain system integrity
- **69kV System:** upgrades for system reliability and capacity for future load growth



Gas Distribution Investments

Gas System Modernization Program focused on modernizing and replacing cast iron and unprotected steel main, resulting in a reduction in methane leaks, safety enhancements and supports customer usage of high efficiency appliances



GSMP I Program complete - replaced ~450 miles over 3 years for $905 Million

GSMP II program provides for replacement of 875 miles over five years

- $1.9 Billion investment began in 2019
- $1.6 Billion recovered through clause
- Improved terms, with semi-annual recovery
- Creating 750 jobs

Base capital and new business >$1 Billion over five years

Energy Strong II: Recent settlement continues critical energy infrastructure program

Old Station Below/New Station Raised Above Flood Elevations



New Equipment Raised Above Flood Elevations



- $842M total spending (Clause $692M, Stipulated Base $150M)
  - $741M Electric (Clause $641M, Stipulated Base $100M): substation life cycle and flood mitigation, contingency reconfiguration and grid modernization
  - $101M Gas (Evenly split between Clause and Stipulated Base): M&R station life cycle
- Beginning Q4 2019 through December 2023
- Improves reliability and resiliency, modernizes system

Clean Energy Future program designed to achieve the goals of NJ's Clean Energy Act

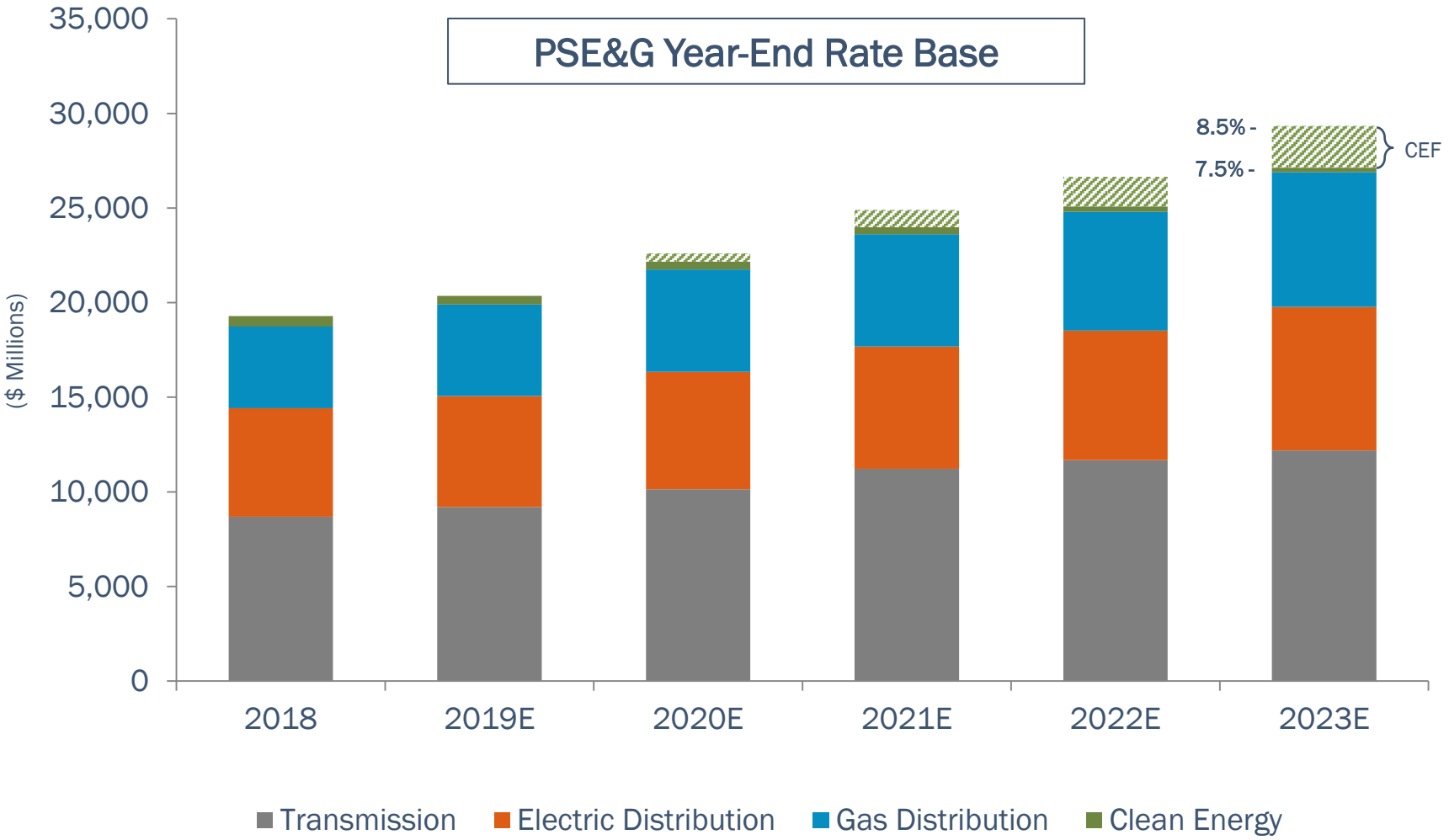
~$3.5 Billion, 6 year investment program filed in January 2019 providing cost-effective and innovative solutions supporting NJ's clean energy goals

- **Energy Efficiency:** Achieves the Clean Energy Act targets of 2% and 0.75% electric and gas savings requirements
- **Electric Vehicles:** "Smart" electric vehicle infrastructure: residential, workplace, multi-family, travel corridors
- **Energy Storage:** Utility-scale systems to defer additional distribution investment, enable additional solar, and enhance resiliency
- **Energy Cloud – AMI:** Accelerated roll-out of ~2 million electric meters and supporting infrastructure

Program Investment	$ Billions
Energy Efficiency*	$2.5
Electric Vehicles	$0.3
Energy Storage	$0.1
Energy Cloud – AMI	$0.6
Investment Total	$3.5

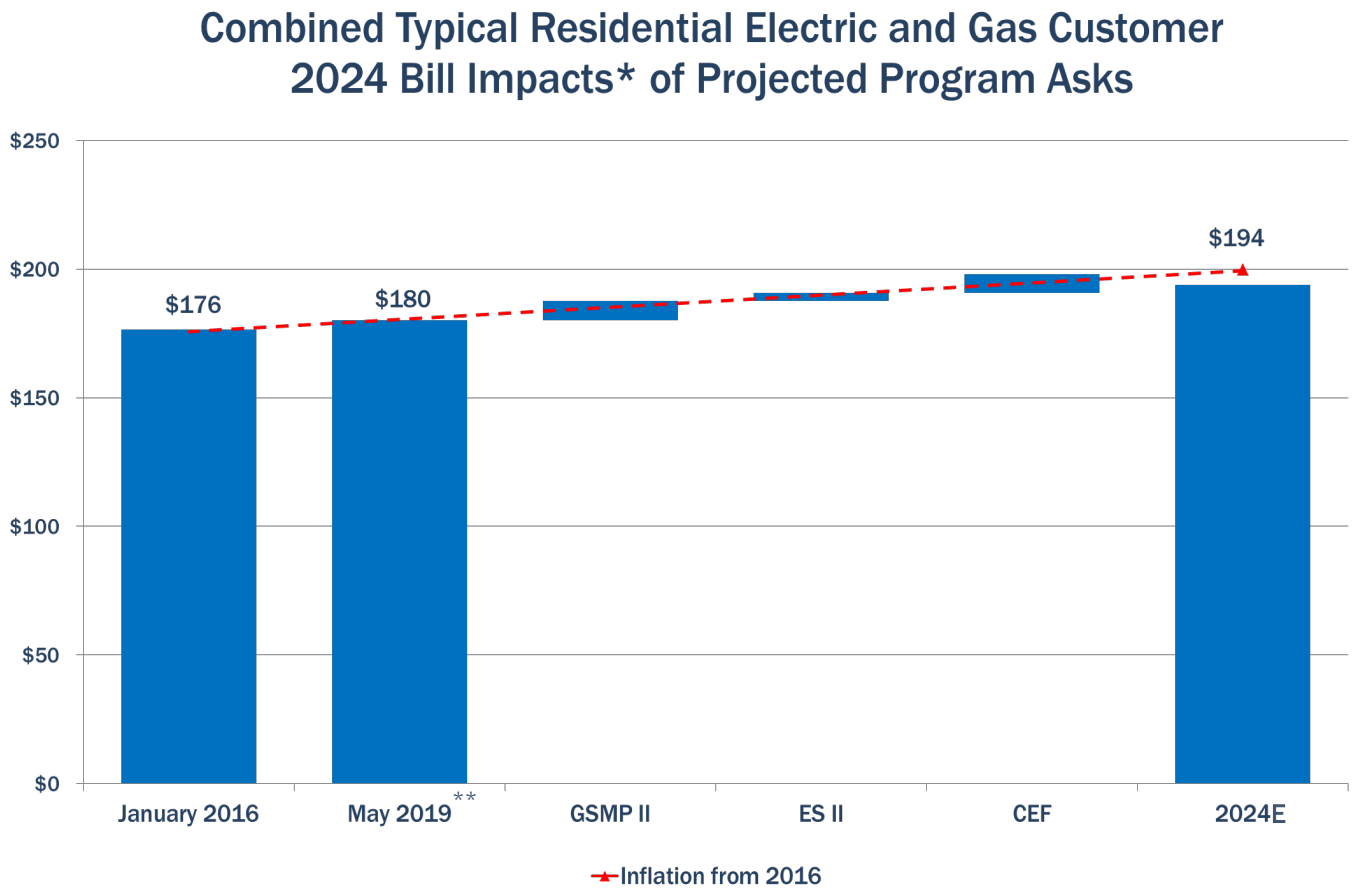
*Agreement to extend regulatory schedule into March 2020

Investment program provides opportunity for ~7.5% - 8.5% compound annual rate base growth



HASHED PORTION OF THE CHART REPRESENTS CEF FILINGS. CEF FILINGS UPDATED TO REFLECT AN AGREEMENT IN PRINCIPLE TO EXTEND THE MATTER INTO 2020. NO CHANGE TO TOTAL FILING POSITION. E = ESTIMATE. CHART EXCLUDES CWIP. YEAR-END 2018 CWIP BALANCE WAS ~$1.2B. CHART UPDATED JULY 30. 2019.

Customer's bills will remain in line with inflation, even with inclusion of our active and proposed programs …



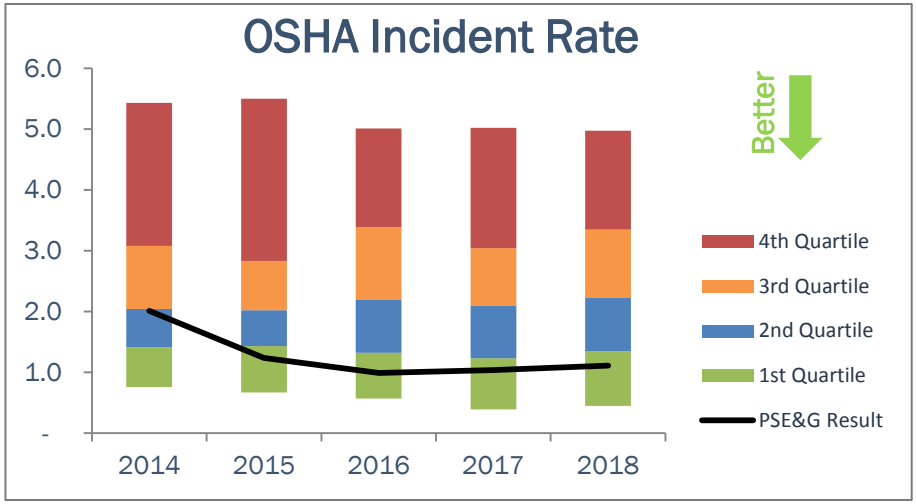
- Bills remained flat in real terms from 2016 to 2019, even with inclusion of GSMP I, ES I, 2018 Rate Case and ZECs
- Over the next 5 years, bills are expected to remain flat in real terms, including the impact of GSMP II, the ES II settlement and proposed CEF programs

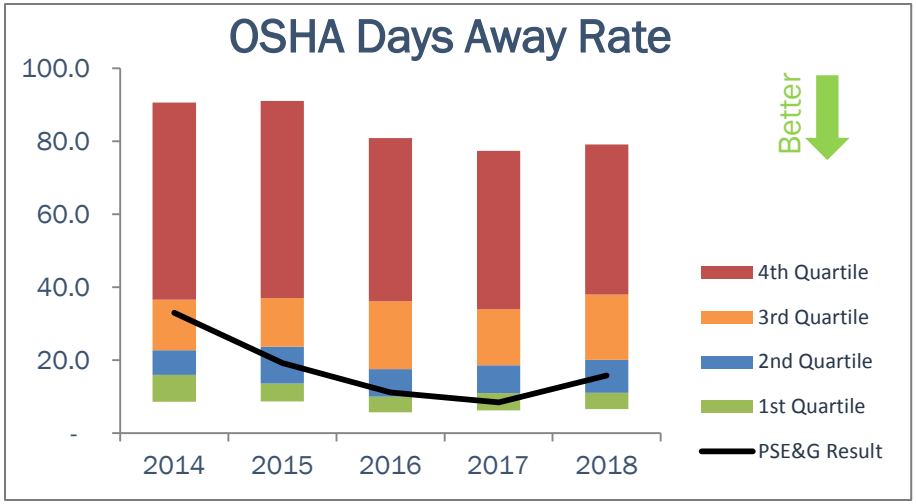
… and EE will help lower bills going forward.

*AVERAGE MONTHLY BILL FOR A TYPICAL RESIDENTIAL ELECTRIC CUSTOMER THAT USES 6,920 KILOWATT-HOURS PER YEAR AND A TYPICAL RESIDENTIAL GAS HEATING CUSTOMER THAT USES 1,040 THERMS PER YEAR. **MAY 1, 2019 RATES REFLECT JUNE 1, 2019 BGS-RSCP SUPPLY CHARGES INCLUDING THE RESULTS OF THE 2019 BGS-RSCP AUCTION. E=ESTIMATE

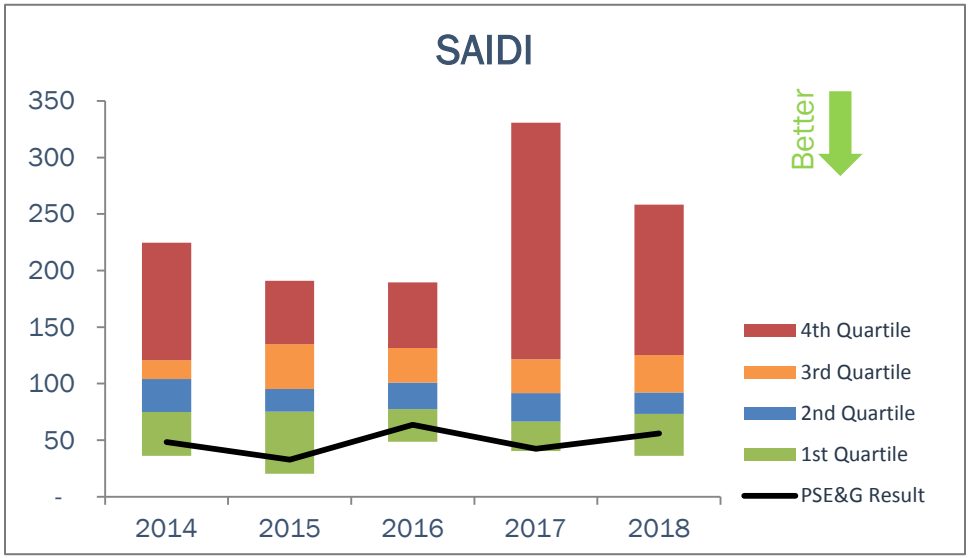
Operational Excellence: Safety & Reliability

Consistently strong safety performance since 2015

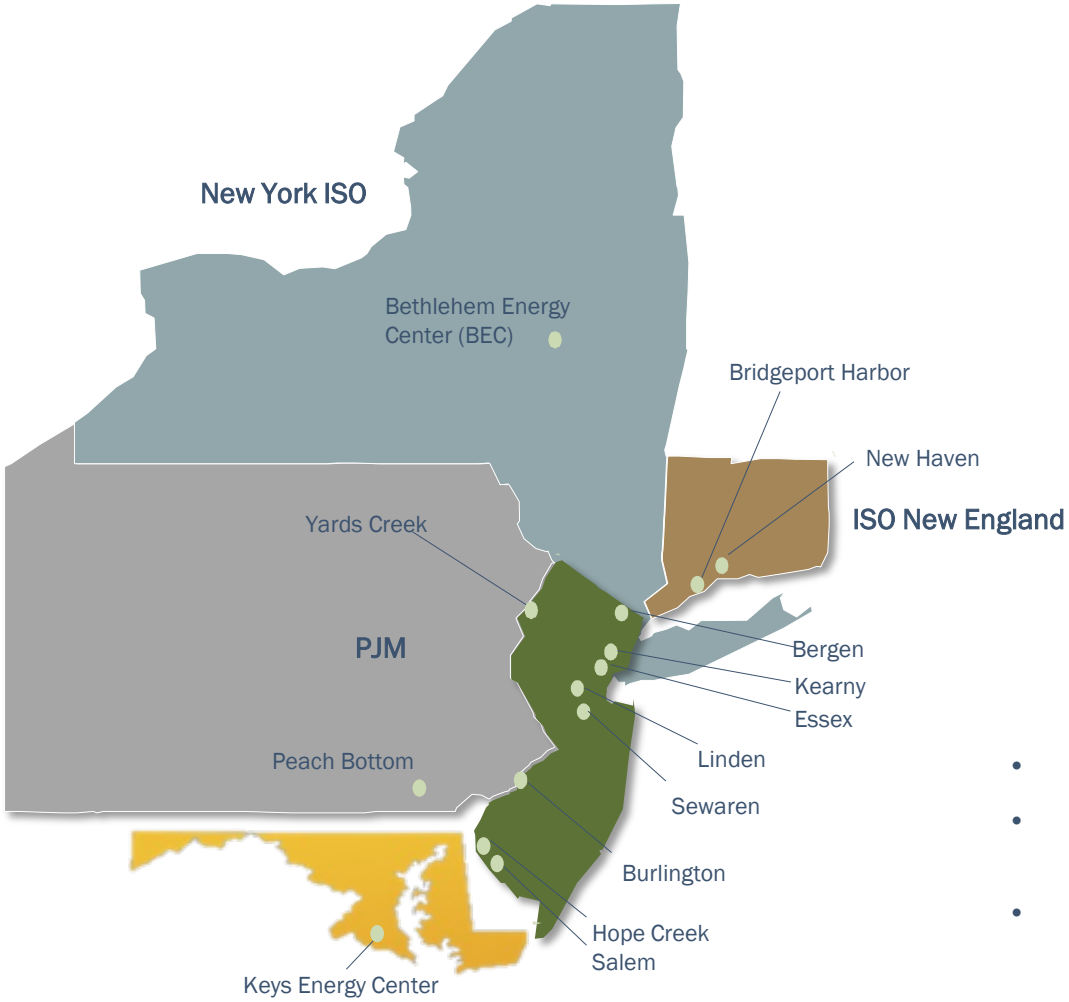


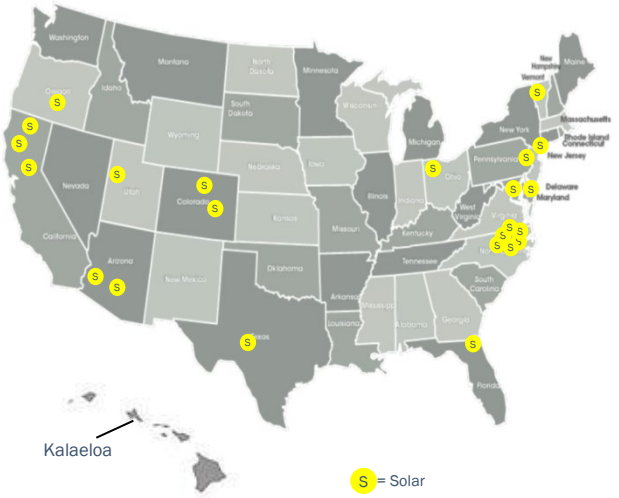


PSE&G's System performance, as measured by System Average Interruption Duration Index (SAIDI), has consistently been ranked among the best performers



PSEG Power's generating assets mainly located in three competitive markets



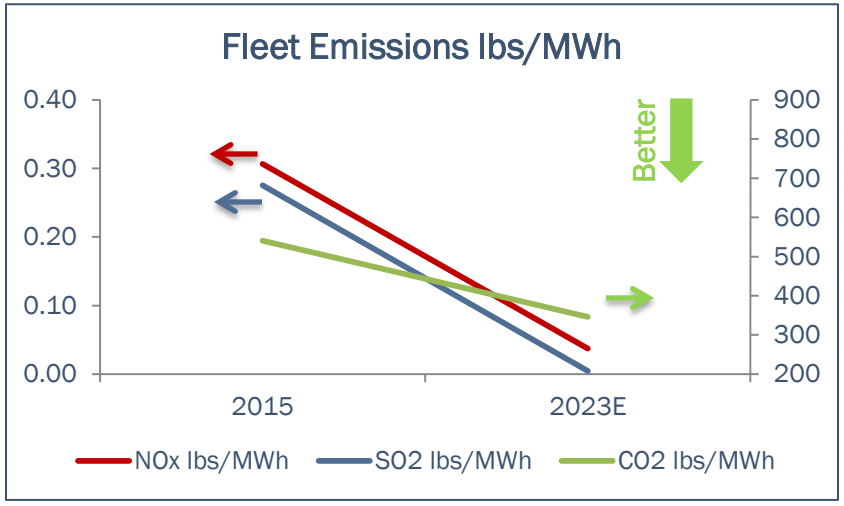


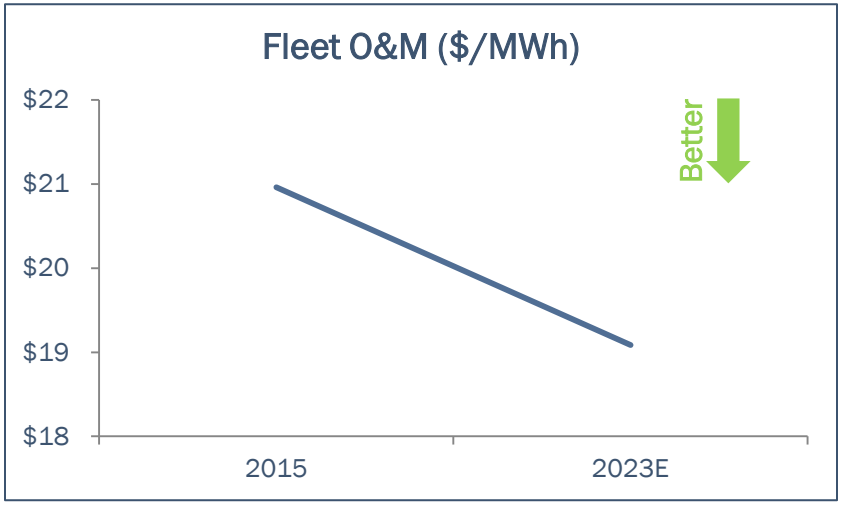
Solar Source assets:

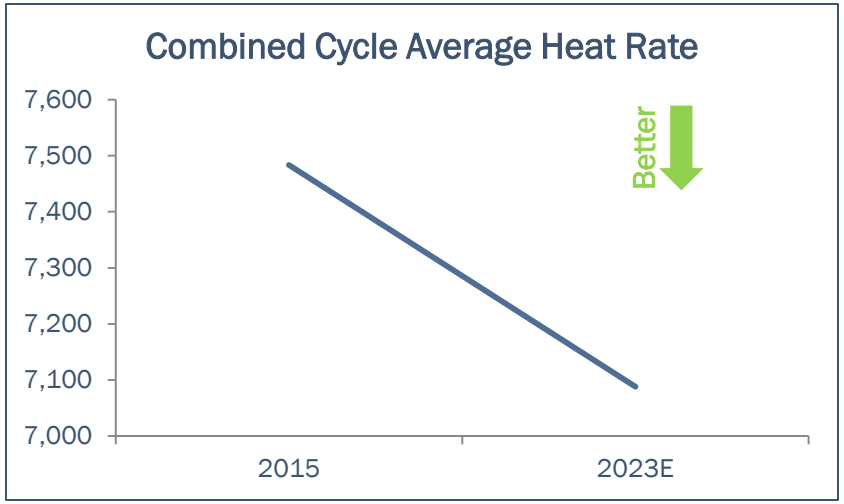
- Solar (414 MW_{DC}/325 MW_{AC})

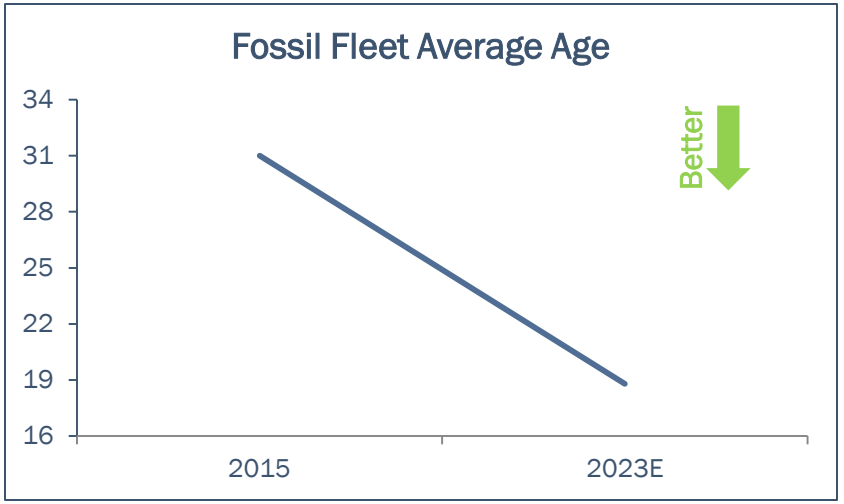
- Major assets located near key load centers
- Completed construction program of three new, highly efficient combined-cycle units
- Positioned to benefit from market volatility

PSEG Power's fleet is transitioning to be more efficient, productive and clean





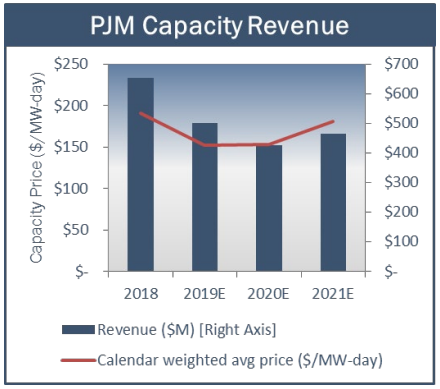




KEYSTONE AND CONEMAUGH HAVE BEEN EXCLUDED FROM Q4 2019 AND BEYOND. E=ESTIMATE.

Capacity Markets provide a solid and continuing revenue stream

PJM's RPM Auction Results*				
Delivery Year	**2018/2019**	**2019/2020**	**2020/2021**	**2021/2022**
PSEG Power's Average Prices ($/MW-day)	$205	$116	$179	$182
Rest of Pool Prices ($/MW-day)	$165/$150 (CP/Base)	$100/$80 (CP/Base)	$77 (CP)	$140 (CP)
PSEG Power's Cleared Capacity (MW)	9,200	8,500	7,300	6,900



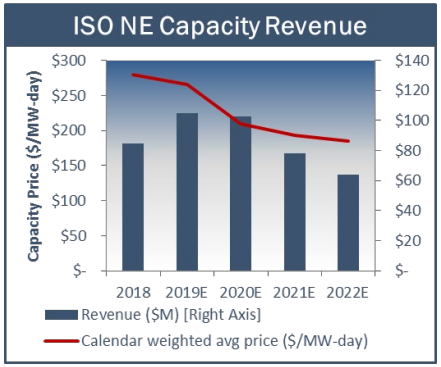
RPM Auctions will be informed by changes in:

- Net CONE
- PJM Parameters
- Demand Response Rules
- Environmental Regulations
- Load Forecasts
- FERC Market Reforms

PJM to postpone the 2022/2023 capacity auction pending a final FERC order on capacity market rule changes

ISO New England's Forward Capacity Market Auction Results**					
Delivery Year	**2018/2019**	**2019/2020**	**2020/2021**	**2021/2022**	**2022/2023**
PSEG Power's Average Prices ($/MW-day)	$314	$231	$195	$192	$179
PSEG Power's Cleared Capacity (MW)	820	1,330	1,330	950	950

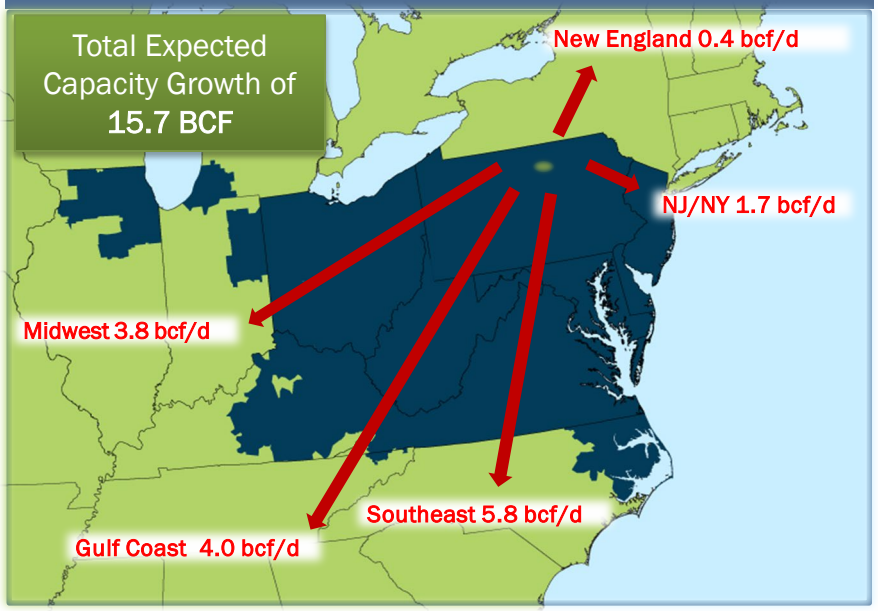
PSEG Power's average price reflects Bridgeport Harbor 5, which cleared the 2019/2020 auction at $231/MW-day for seven years, with escalations based on Handy-Whitman Index



NOTE: DELIVERY YEARS RUN FROM JUNE 1 TO MAY 31 OF THE NEXT CALENDAR YEAR. E=ESTIMATE; *AVERAGE PRICES AND CLEARED CAPACITY (MW) REFLECT BASE AND INCREMENTAL AUCTIONS. KEYSTONE AND CONEMAUGH HAVE BEEN EXCLUDED FROM Q4 2019 AND BEYOND. **AVERAGE PRICES AND CLEARED CAPACITY (MW) REFLECT BRIDGEPORT HARBOR 5 ADDITION IN MID-2019 AND THE ANNOUNCED RETIREMENT OF BRIDGEPORT HARBOR 3 IN THE SUMMER OF 2021.

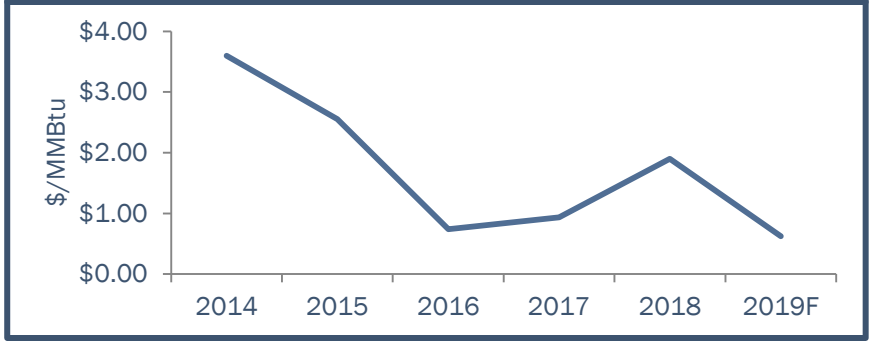
PSEG Power's fleet is well-located with access to shale gas production

Pipeline Takeaway Capacity Growth 2018-2022E



- Significant number of new pipelines in the 2018/2019 time period
- Gas production and pipeline takeaway capacity are more balanced than in recent years
- PSEG Power procured approximately 450 BCF in 2018 with approximately 50% going towards PSE&G's utility gas customer usage
- PSEG Power's gas for PJM generation was ~100 BCF in 2018, of which ~65% was supplied by Northeast shale gas
- Keys Energy Center reduces the overall PSEG Power shale gas percentage

Transco Z6 to Leidy Basis*



- Differential between Leidy and Transco Z6 has narrowed considerably
- The benefit of lower priced shale gas to PSEG Power's fleet has declined with the narrowing
- Forward variability still influenced by availability of takeaway capacity and production levels

*DATA UPDATED AS OF AUGUST 31, 2019
E = ESTIMATE F=FORWARD PRICES

Stable Gross Margin - Hedging strategy is designed to mitigate risk and secure free cash flow

		Jul - Dec 2019	2020	2021
Base Load (Nuclear and Base Load Coal)	Volume TWh	16	31	31
	% Hedged	100%	100%	45-50%
	Price $/MWh	$38	$38	$39
Intermediate, Combined Cycle, Peaking	Volume TWh	14-16	21-23	21-23
	% Hedged	75-80%	25-30%	0%
	Price $/MWh	$38	$38	$ -
Total	Volume TWh	30-32	52-54	52-54
	% Hedged	85-90%	65-70%	25-30%
	Price $/MWh	$38	$38	$39

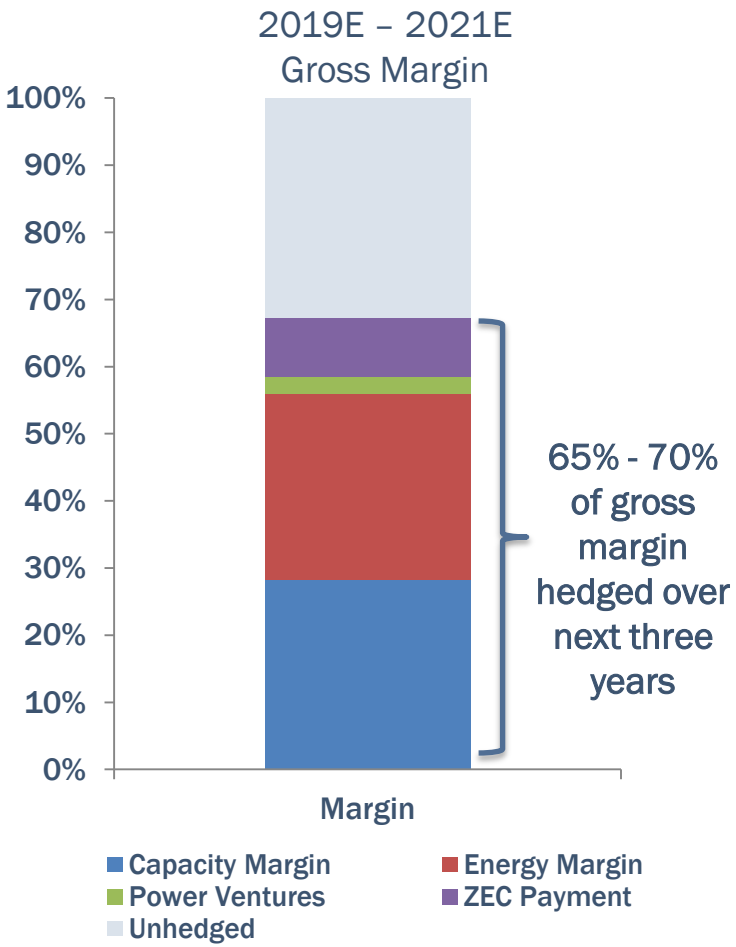
Base Load volumes lowered by ~1.2 TWh in 2019 and ~5 TWh in 2020 and 2021 each due to Keystone & Conemaugh sale

Intermediate Load volumes lowered by ~1.8 TWh in 2019 and ~3 TWh in 2020 and 2021 each due to market conditions

Keystone and Conemaugh have been excluded from Q4 2019 and beyond

HEDGE PERCENTAGES AS OF JUNE 28, 2019 AND REFLECTS REVENUES OF FULL REQUIREMENT LOAD DEALS BASED ON CONTRACT PRICE INCLUDING RENEWABLE ENERGY CREDITS, ANCILLARY AND TRANSMISSION COMPONENTS BUT EXCLUDING CAPACITY. HEDGES INCLUDE POSITIONS WITH MTM ACCOUNTING TREATMENT AND OPTIONS.

PSEG Power provides stable gross margin

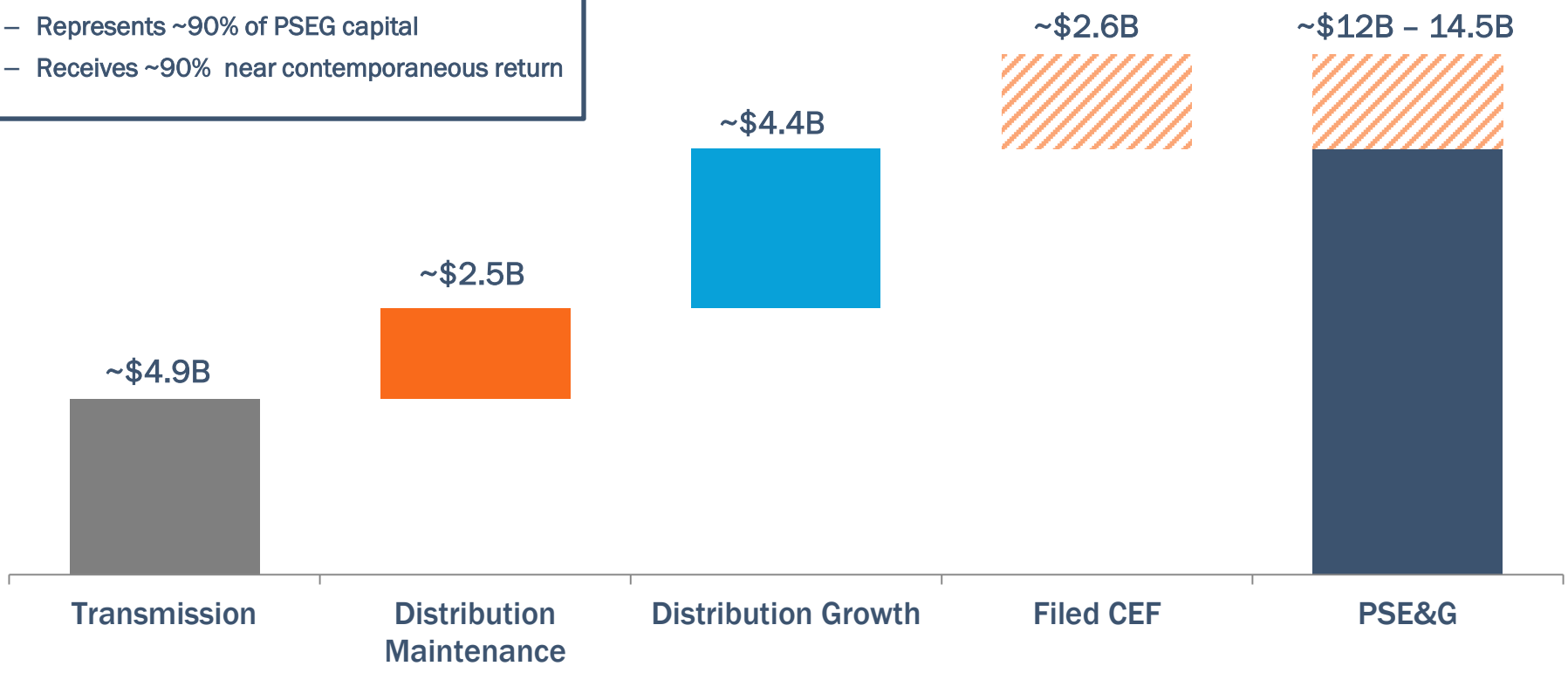


- Expected three year cumulative gross margin over $6 billion from 2019 to 2021
- ZEC revenues approved through May 2022
- Approximately $1.7 billion locked in via capacity auctions through May 2022

PSE&G's capital investment is balanced between T&D spending with clause recoveries

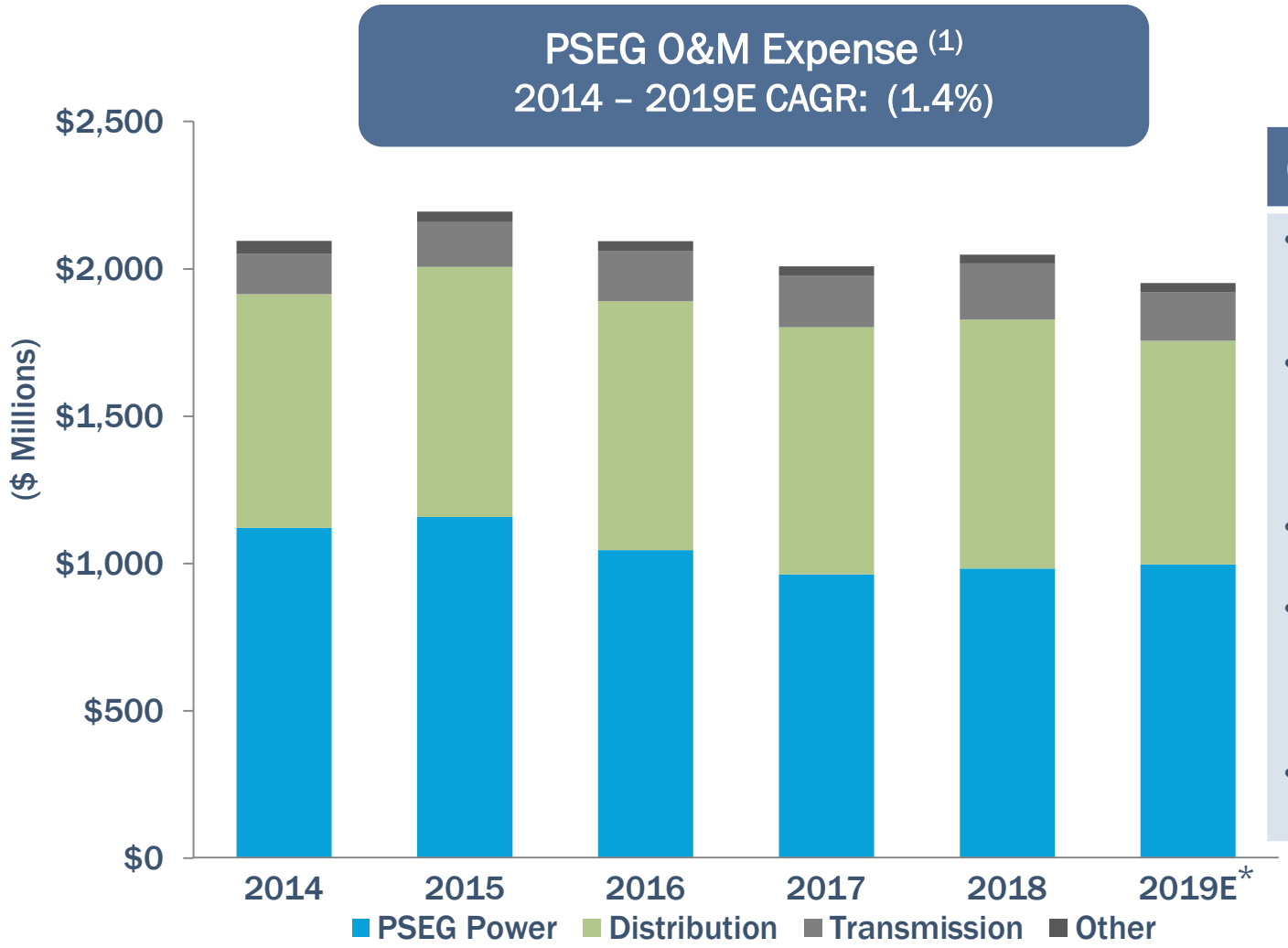
PSE&G
2019E – 2023E Capital Spending

PSE&G Capital:
- Represents ~90% of PSEG capital
- Receives ~90% near contemporaneous return



CAPITAL INCLUDES AFUDC
HASHED PORTION OF THE CHART REPRESENTS CEF PROGRAMS AS FILED E=ESTIMATE

PSEG has controlled O&M with actions focused on continuous improvement

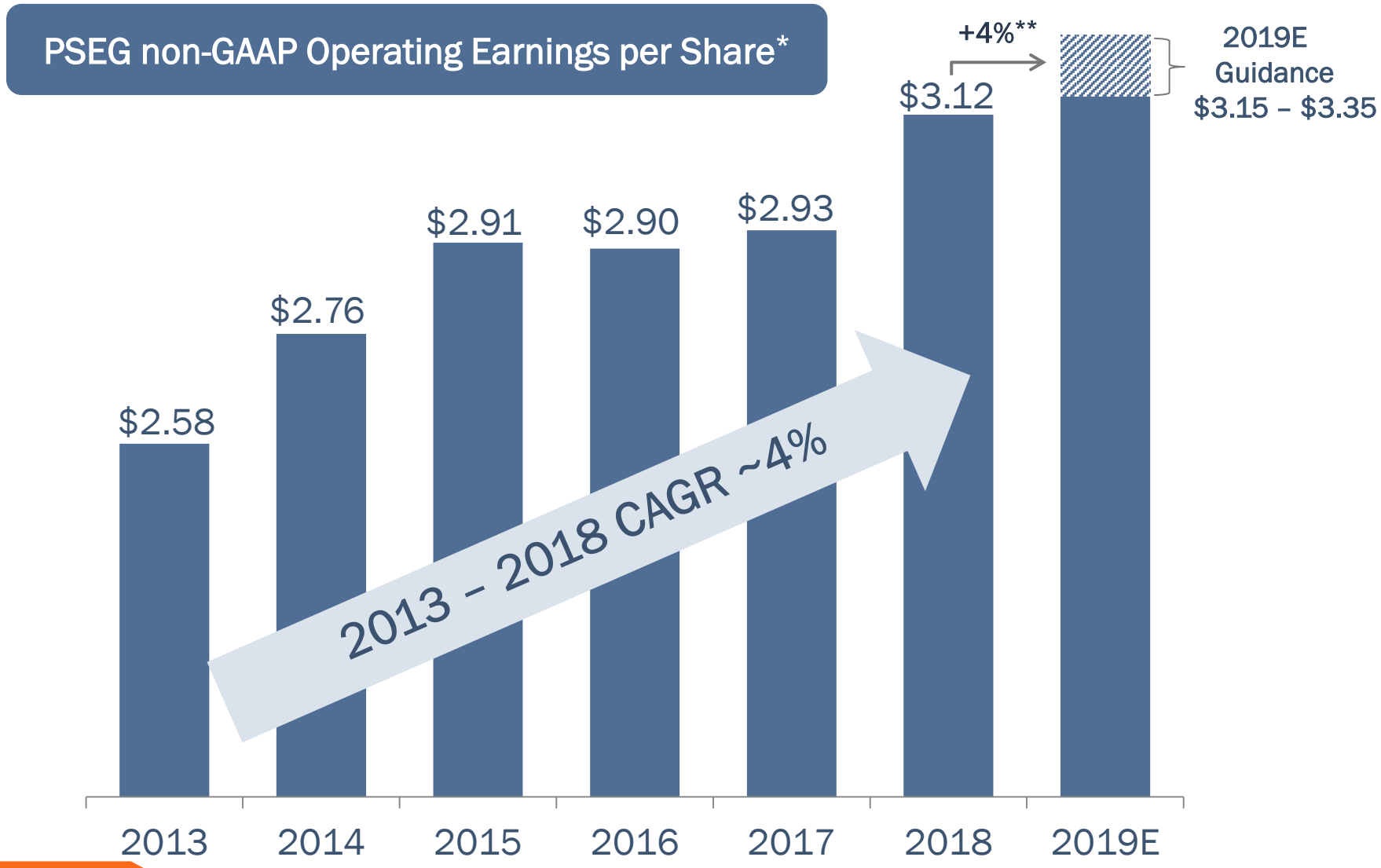


Cost control actions

- Continued focus on vendors to ensure maximum value
- Frequent organizational reviews to drive efficiency and cost optimization
- Managed pension and OPEB expense
- 'Best practices' teams focused on improving performance while managing costs
- Technology investments to improve productivity

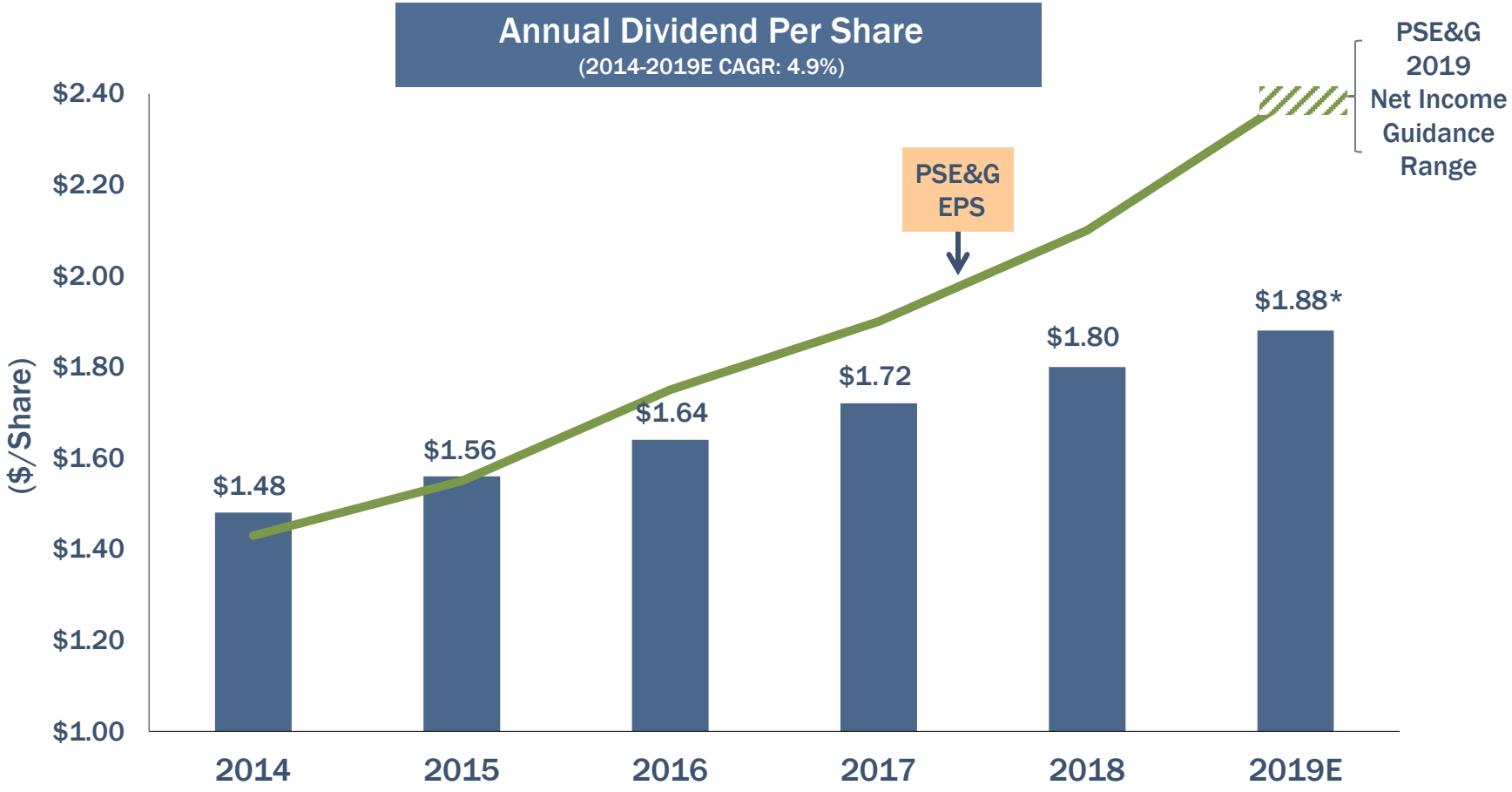
(1) EXCLUDES NUCLEAR ARO, EARLY RETIREMENT AND GAIN ON SALE OF HUDSON / MERCER COAL PLANTS, IMPACTS FROM SANDY STORM RECOVERY COSTS AND CERTAIN REGULATORY BALANCE ACCOUNT AND PASS THROUGH ITEMS. INCLUDES NON-OPERATING PENSION AND OPEB AMOUNTS WHICH ARE REPORTED SEPARATELY AND NO LONGER SUBJECT TO CAPITALIZATION EFFECTIVE JANUARY 1, 2018 AS A RESULT OF NEW ACCOUNTING GUIDANCE. *KEYSTONE AND CONEMAUGH HAVE BEEN EXCLUDED FROM Q4 2019. E = ESTIMATE.

Strategic focus continues to deliver solid results



*SEE SLIDE A FOR ITEMS EXCLUDED FROM NET INCOME TO RECONCILE TO NON-GAAP OPERATING EARNINGS.
**BASED ON THE MID-POINT OF 2019 NON-GAAP OPERATING EARNINGS GUIDANCE OF $3.15 TO $3.35 PER SHARE.
E= ESTIMATE.

Opportunity for consistent and sustainable dividend growth



*INDICATIVE ANNUAL 2019 PSEG COMMON DIVIDEND RATE PER SHARE. E=ESTIMATE.
NOTE: ALL FUTURE DECISIONS REGARDING DIVIDENDS ON THE COMMON STOCK ARE SUBJECT TO APPROVAL BY THE BOARD OF DIRECTORS.

PSEG Value Proposition



- PSE&G – Delivering on promise for rate base growth through alignment with customer interests and state policy goals
- PSEG Power – Increasingly efficient, clean fleet advantaged by asset diversity, fuel mix and location
- Focus on providing strong, sustainable returns of invested capital reinforced by operational excellence, financial strength and disciplined investment
- 112-year record of paying common dividend with opportunity for consistent, sustainable growth

PSEG Meeting Takeaways

Enhanced Stability, Risk Mitigated

Regulatory & Policy Focus De-risks/Presents Opportunities

- Settled distribution base rate case; next case not required before 2023
- ZEC award preserves nuclear and supports stable gross margin
- Power fleet efficiency & geographic diversity improved with new CCGTs
- Capacity market stability through May 2022

Regulated Growth Plan In Place, Added ZEC Revenue

Among Highest Regulated Growth Rates

- Rate Base CAGR at 7.5% - 8.5% (2019E-2023E) fueled by GSMP II, ES II settlement, CEF filings, and transmission investment
- At PSEG Power, ZECs awarded to all 3 NJ nuclear plants
- NJ's Clean Energy Act has investable potential

Financial Strength

Financial Strength Remains Intact

- Stable credit metrics (FFO/Debt, credit ratings) enables accelerated return of excess deferred taxes and increases rate base
- Higher 54% equity ratio at PSE&G post rate case settlement
- Conclusion of Power's construction program will improve cash flow
- No new equity needed to finance 2019-2023 capital plan
- Dividend: 2019 indicative $0.08 increase to $1.88 per share

PSEG
APPENDIX

PSEG

We make things work for you.

Reconciliation of Non-GAAP Operating Earnings

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

Reconciling Items	Year Ended December 31,					
	2018	2017	2016	2015	2014	2013
	($ millions, Unaudited)					
Net Income	$ 1,438	$ 1,574	$ 887	$ 1,679	$ 1,518	$ 1,243
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax[a] (PSEG Power)	144	(133)	(5)	(24)	(138)	(86)
(Gain) Loss on Mark-to-Market (MTM), pre-tax[b] (PSEG Power)	117	167	168	(157)	(111)	125
Storm O&M, net of insurance recoveries, pre-tax (PSEG Power)	-	-	-	(172)	27	54
Hudson/Mercer (Gain on Sale) / Early Retirement, pre-tax (PSEG Power)	(51)	975	669	-	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	8	77	147	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[c]	(74)	(427)	(391)	150	104	(27)
Tax Reform	-	(745)	-	-	-	-
Operating Earnings (non-GAAP)	$ 1,582	$ 1,488	$ 1,475	$ 1,476	$ 1,400	$ 1,309
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	508	508	508	508
	($ Per Share Impact - Diluted, Unaudited)					
Net Income	$ 2.83	$ 3.10	$ 1.75	$ 3.30	$ 2.99	$ 2.45
(Gain) Loss on NDT Fund Related Activity, pre-tax[a] (PSEG Power)	0.28	(0.26)	(0.01)	(0.05)	(0.27)	(0.17)
(Gain) Loss on MTM, pre-tax[b] (PSEG Power)	0.23	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 (Gain on Sale) / Early Retirement, pre-tax (PSEG Power)	(0.10)	1.92	1.32	-	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	0.02	0.15	0.29	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[c]	(0.14)	(0.84)	(0.78)	0.31	0.21	(0.06)
Tax Reform	-	(1.47)	-	-	-	-
Operating Earnings (non-GAAP)	$ 3.12	$ 2.93	$ 2.90	$ 2.91	$ 2.76	$ 2.58

(a) Effective January 1, 2018, unrealized gains (losses) on equity securities are recorded in Net Income instead of Other Comprehensive Income (Loss).

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

(c) Income tax effect calculated at 28.11% statutory rate for 2018 and 40.85% statutory rate for prior years, 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.

Reconciliation of non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA for PSEG Power

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

Reconciling Items	Year Ended December 31,					
	2018	2017	2016	2015	2014	2013
	($ millions, Unaudited)					
Net Income	$ 365	$ 479	$ 18	$ 856	$ 760	$ 644
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax[a]	144	(133)	(5)	(24)	(138)	(86)
(Gain) Loss on Mark-to-Market (MTM), pre-tax[b]	117	167	168	(157)	(111)	125
Storm O&M, net of insurance recoveries, pre-tax	-	-	-	(172)	27	54
Hudson/Mercer (Gain on Sale) / Early Retirement, pre-tax	(51)	975	669	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[c]	(73)	(395)	(336)	150	104	(27)
Tax Reform	-	(588)	-	-	-	-
Operating Earnings (non-GAAP)	$ 502	$ 505	$ 514	$ 653	$ 642	$ 710
Depreciation and Amortization, pre-tax [d]	346	333	329	301	291	276
Interest Expense, pre-tax [d] [e]	72	48	83	120	120	114
Income Taxes [d]	139	286	275	361	387	446
Adjusted EBITDA (non-GAAP)	$ 1,059	$ 1,172	$ 1,201	$ 1,435	$ 1,440	$ 1,546
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	508	508	508	508

(a) Effective January 1, 2018, unrealized gains (losses) on equity securities are recorded in Net Income instead of Other Comprehensive Income (Loss).
(b) Includes the financial impact from positions with forward delivery months.
(c) Income tax effect calculated at 28.11% statutory rate for 2018 and 40.85% statutory rate for prior years, except for NDT related activity which is calculated at the statutory rate plus a 20% tax on income (losses) from qualified NDT funds.
(d) Excludes amounts related to Operating Earnings (non-GAAP) reconciling items.
(e) Net of capitalized interest.

Reconciliation of non-GAAP Operating Earnings for PSE&G and PSEG Enterprise/Other

PSE&G Operating Earnings (Non-GAAP) Reconciliation

Reconciling Items	Year Ended December 31,					
	2018	2017	2016	2015	2014	2013
	($ millions, Unaudited)					
Net Income	$ 1,067	$ 973	$ 889	$ 787	$ 725	$ 612
Tax Reform	-	(10)	-	-	-	-
Operating Earnings (non-GAAP)	$ 1,067	$ 963	$ 889	$ 787	$ 725	$ 612
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	508	508	508	508

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

Reconciling Items	Year Ended December 31,					
	2018	2017	2016	2015	2014	2013
	($ millions, Unaudited)					
Net Income (Loss)	$ 6	$ 122	$ (20)	$ 36	$ 33	$ (13)
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	8	77	147	-	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform[(a)]	(1)	(32)	(55)	-	-	-
Tax Reform	-	(147)	-	-	-	-
Operating Earnings (non-GAAP)	$ 13	$ 20	$ 72	$ 36	$ 33	$ (13)
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	508	508	508	508

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