

## Q1 2019 Performance Update

**NYSE: PEG**

We delivered a solid quarter to begin the year. PSEG reported Net Income in the first quarter of 2019 of \$700 million, or \$1.38 per share as compared to Net Income of \$558 million, or \$1.10 per share, for the first quarter 2018. Non-GAAP Operating Earnings for the first quarter of 2019 were \$547 million, or \$1.08 per share, compared to non-GAAP Operating Earnings for first quarter 2018 of \$492 million, or \$0.97 per share. These results reflect the benefits from our continued investments to enhance New Jersey energy infrastructure and a full quarter of new rates based upon PSE&G's 2018 distribution rate case settlement. PSEG continues to focus on aligning our business objectives with New Jersey's energy and environmental policy goals. With a solid start for the first quarter, we are affirming the full year forecast of PSEG's non-GAAP Operating Earnings at \$3.15 - \$3.35 per share.

PSE&G plans to invest approximately \$11 - \$16 billion over the coming five years on programs which are expected to provide annual rate base growth of 7% - 9%, starting from a 2018 year-end base of approximately \$19 billion. In addition to transmission investments that improve system reliability and resiliency, we recently began the second phase of the \$1.9 billion Gas System Modernization Program that will replace approximately 875 miles of gas mains over the next five years and make other improvements to reduce methane leaks and ensure critical energy infrastructure is available to support New Jersey's economy.

On April 18, the New Jersey Board of Public Utilities (BPU) voted to award Zero Emission Certificates to PSEG Power's three New Jersey nuclear power plants: Hope Creek and Salem 1 and Salem 2. The decision will preserve over 90% of New Jersey's carbon free source of power, save New Jersey electricity customers hundreds of millions of dollars in what would have been higher energy costs, save thousands of jobs, and prevent a significant increase in environmentally damaging air emissions.

Our long-term strategy to transition our business to a mostly regulated company with predictable cash flows is on track, with over 90% of PSEG's five year capital program of \$12 - \$17 billion directed to regulated growth that will improve the reliability and efficiency of our operations, benefit our customers, and support New Jersey's energy policy goals. PSE&G is expected to contribute approximately 75% of our consolidated non-GAAP Operating Earnings in 2019, and PSEG Power will see its free cash flow improve this year, which will continue to support our investment programs and dividend growth, enabling PSEG to meet the objectives of our five year capital investment plan without the need to issue equity.

*Ralph Izzo, Chairman, President & CEO - May 2, 2019*

### PSEG – Q1 2019

#### First Quarter Highlights

- Net Income per share of \$1.38 in Q1 2019 vs. \$1.10 Q1 2018
- Non-GAAP Operating Earnings\* per share of \$1.08 in Q1 2019 vs. \$0.97 in Q1 2018
- PSE&G results benefiting from increased investment in electric and gas T&D infrastructure
- PSEG Power results aided by higher generation volumes and cost control

#### Operational Excellence

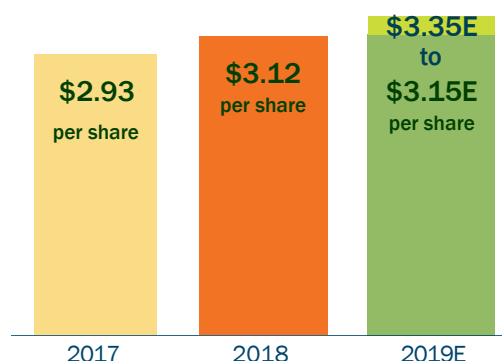
- Nuclear operations remain strong with a 98% average capacity factor; Salem 1 experienced first uninterrupted run between refueling outages
- New CCGT units enhance efficiency of fleet

#### PSEG Disciplined Capital Investment

- Major Capital Initiatives Powering Progress Continue: Clean Energy Future - Energy Efficiency and Energy Strong II pending before BPU; Gas System Modernization Program II underway; CCGT construction program concludes with Bridgeport Harbor 5 completion targeted for mid-2019

### PSEG – Re-affirming 2019 Full-Year Guidance

#### Non-GAAP Operating Earnings\* and 2019 Guidance



### Q1 Results by Subsidiary

	Financial Results		Earnings per Share (EPS)	
	2019	2018	2019	2018
<b>\$ millions (except EPS)</b>				
PSE&G (Net Income)	\$ 403	\$ 319	\$ 0.79	\$ 0.63
PSEG Power (Net Income)	\$ 296	\$ 234	\$ 0.59	\$ 0.46
PSEG Power (non-GAAP Op. Earnings)*	\$ 143	\$ 168	\$ 0.29	\$ 0.33
Enterprise/Other (Net Income)	\$ 1	\$ 5	\$ -	\$ 0.01
PSEG (Net Income)	\$ 700	\$ 558	\$ 1.38	\$ 1.10
PSEG (non-GAAP Operating Earnings)*	\$ 547	\$ 492	\$ 1.08	\$ 0.97

### Key Performance Highlights

	as of 3/31/2019
Stock Price on 3/31/2019	\$59.41
Dividends Paid per Share (year-to-date)	\$0.47
Dividend Yield (%)	3.2%
Total Shareholder Return (year to date)	15.0%
Average Shares Outstanding, Diluted (in millions)	507
Book Value Per Common Share	\$29.41

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

## GAAP Disclaimer

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

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

Due to the forward looking nature of non-GAAP Operating Earnings guidance, PSEG is unable to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measure. Management is unable to project certain reconciling items, in particular MTM and NDT gains (losses), for future periods due to market volatility. Guidance included herein is as of May 2, 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>.

## Items Excluded from Net income to Reconcile to Non-GAAP Operating Earnings

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

Reconciling Items	Three Months Ended March 31,		Year Ended December 31,	
	2019	2018	2018	2017
	(\$ millions, Unaudited)			
<b>Net Income</b>	<b>\$ 700</b>	<b>\$ 558</b>	<b>\$ 1,438</b>	<b>\$ 1,574</b>
(Gain) Loss on Nuclear Decommissioning Trust (NDT)				
Fund Related Activity, pre-tax <sup>(a)</sup> (PSEG Power)	(127)	24	144	(133)
(Gain) Loss on Mark-to-Market (MTM), pre-tax <sup>(b)</sup> (PSEG Power)	(108)	(118)	117	167
Hudson/Mercer (Gain on Sale) / Early Retirement, pre-tax (PSEG Power)	-	4	(51)	975
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	8	77
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform <sup>(c)</sup>	80	24	(74)	(427)
Tax Reform	-	-	-	(745)
<b>Operating Earnings (non-GAAP)</b>	<b>\$ 547</b>	<b>\$ 492</b>	<b>\$ 1,592</b>	<b>\$ 1,488</b>
<b>PSEG Fully Diluted Average Shares Outstanding (in millions)</b>	<b>507</b>	<b>507</b>	<b>507</b>	<b>507</b>
	(\$ Per Share Impact - Diluted, Unaudited)			
<b>Net Income</b>	<b>\$ 1.38</b>	<b>\$ 1.10</b>	<b>\$ 2.83</b>	<b>\$ 3.10</b>
(Gain) Loss on NDT Fund Related Activity, pre-tax <sup>(a)</sup> (PSEG Power)	(0.25)	0.04	0.28	(0.26)
(Gain) Loss on MTM, pre-tax <sup>(b)</sup> (PSEG Power)	(0.21)	(0.23)	0.23	0.33
Hudson/Mercer (Gain on Sale) / Early Retirement, pre-tax (PSEG Power)	-	0.01	(0.10)	1.92
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	0.02	0.15
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform <sup>(c)</sup>	0.16	0.05	(0.14)	(0.84)
Tax Reform	-	-	-	(1.47)
<b>Operating Earnings (non-GAAP)</b>	<b>\$ 1.03</b>	<b>\$ 0.87</b>	<b>\$ 3.12</b>	<b>\$ 2.95</b>

(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% for both 2019, 2018 and 40.85% statutory rate for 2017, respectively, 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.

**PSE&G Operating Earnings (non-GAAP) Reconciliation**

Reconciling Items	Three Months Ended March 31,		Year Ended December 31,	
	2019	2018	2018	2017
	(\$ millions, Unaudited)			
<b>Net Income</b>	<b>\$ 403</b>	<b>\$ 319</b>	<b>\$ 1,067</b>	<b>\$ 973</b>
Tax Reform	-	-	-	(10)
<b>Operating Earnings (non-GAAP)</b>	<b>\$ 403</b>	<b>\$ 319</b>	<b>\$ 1,067</b>	<b>\$ 963</b>
<b>PSEG Fully Diluted Average Shares Outstanding (in millions)</b>	<b>507</b>	<b>507</b>	<b>507</b>	<b>507</b>

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

Reconciling Items	Three Months Ended March 31,		Year Ended December 31,	
	2019	2018	2018	2017
	(\$ millions, Unaudited)			
<b>Net Income</b>	<b>\$ 1</b>	<b>\$ 5</b>	<b>\$ 6</b>	<b>\$ 122</b>
Lease Related Activity, pre-tax	-	-	8	77
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform <sup>(a)</sup>	-	-	(1)	(32)
Tax Reform	-	-	-	(147)
<b>Operating Earnings (non-GAAP)</b>	<b>\$ 1</b>	<b>\$ 5</b>	<b>\$ 13</b>	<b>\$ 20</b>
<b>PSEG Fully Diluted Average Shares Outstanding (in millions)</b>	<b>507</b>	<b>507</b>	<b>507</b>	<b>507</b>

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

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

Reconciling Items	Three Months Ended March 31,		Year Ended December 31,	
	2019	2018	2018	2017
	(\$ millions, Unaudited)			
<b>Net Income</b>	<b>\$ 296</b>	<b>\$ 234</b>	<b>\$ 365</b>	<b>\$ 479</b>
(Gain) Loss on NDT Fund Related Activity, pre-tax <sup>(a)</sup>	(127)	24	144	(133)
(Gain) Loss on MTM, pre-tax <sup>(b)</sup>	(106)	(118)	117	167
Hudson/Mercer (Gain on Sale) / Early Retirement, pre-tax	-	4	(51)	975
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform <sup>(c)</sup>	80	24	(73)	(395)
Tax Reform	-	-	-	(688)
<b>Operating Earnings (non-GAAP)</b>	<b>\$ 143</b>	<b>\$ 168</b>	<b>\$ 502</b>	<b>\$ 505</b>
Depreciation and Amortization, pre-tax <sup>(d)</sup>	93	80	346	333
Interest Expense, pre-tax <sup>(e)(f)</sup>	24	6	72	48
Income Taxes <sup>(g)</sup>	44	59	139	286
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$ 304</b>	<b>\$ 313</b>	<b>\$ 1,059</b>	<b>\$ 1,172</b>
<b>PSEG Fully Diluted Average Shares Outstanding (in millions)</b>	<b>507</b>	<b>507</b>	<b>507</b>	<b>507</b>

(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% for both 2019, 2018 and 40.85% statutory rate for 2017, respectively, 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.