

Q2 2019 Performance Update

NYSE: PEG

We have had a constructive second quarter that has advanced our long-term strategy on several fronts. PSEG reported Net Income in the second quarter of 2019 of \$153 million, or \$0.30 per share, as compared to Net Income of \$269 million, or \$0.53 per share, for the second quarter 2018. Non-GAAP Operating Earnings for the second quarter of 2019 were \$294 million, or \$0.58 per share, compared to non-GAAP Operating Earnings for second quarter 2018 of \$325 million, or \$0.64 per share. Our results for the second quarter bring non-GAAP Operating Earnings for the first half of 2019 to \$1.66 per share, a 3.1% increase over non-GAAP Operating Earnings of \$1.61 per share for the first half of 2018. This increase reflects the growing contribution from our regulated operations. Given our second quarter results, we are re-affirming the full-year forecast of PSEG's non-GAAP Operating Earnings at \$3.15 - \$3.35 per share.

PSE&G has reached an agreement in principle with key parties in the Energy Strong II (ES II) infrastructure filing that will enable the continuation of increasing the resiliency and improving the reliability of critical energy infrastructure in New Jersey. Separately, parties in PSE&G's Clean Energy Future-Energy Efficiency (CEF-EE) filing have also reached an agreement in principle that extends the matter into 2020 and that authorizes, in the interim, PSE&G to continue work on four of its existing, award-winning Energy Efficiency programs for an additional year. Updating for the ES II agreement, PSE&G is narrowing its estimated capital spending range to \$12 - \$14.5 billion over the coming five years on programs which are expected to provide compound annual rate base growth of 7.5% - 8.5%, starting from a 2018 year-end base of approximately \$19 billion.

At PSEG Power, the NJ Board of Public Utilities awarded Zero Emission Certificates (ZECs) to PSEG Power's three New Jersey nuclear units on April 18th, to help preserve the state's largest source of zero carbon generation. PSEG Power also completed its 1,800 MW combined cycle gas turbine (CCGT) construction program during the quarter, with the commercial operation of the Bridgeport Harbor 5 (BH5) generating station. In late June, PSEG Power announced the sale of its 776 megawatt interest in the Keystone and Conemaugh coal-fired generating units in Pennsylvania. The transaction moves PSEG Power closer to eliminating coal from its fuel mix by mid-2021, when the Bridgeport Harbor 3 coal-fired generating plant is scheduled to be retired. As part of its Powering Progress initiative, PSEG recently committed to a goal of reducing PSEG Power's CO₂ emissions 80% from 2005 levels by 2046, with a vision for net-zero CO₂ emissions by 2050. Also, starting in 2020, PSEG has committed to reporting annually on sustainability and climate using the Task Force on Climate-related Financial Disclosures framework, when PSEG will also issue its first Climate Report.

A higher percentage non-GAAP Operating Earnings contribution from earnings at PSE&G, which is approximately 75%, is offsetting challenging market conditions in the power and natural gas markets, and PSEG Power will see its free cash flow improve this year with BH5 commercial operation. Together, this will 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 - July 30, 2019

PSEG - Q2 2019

Second Quarter Highlights

- Net Income per share of \$0.30 in Q2 2019 vs. \$0.53 in Q2 2018
- Non-GAAP Operating Earnings* per share of \$0.58 in Q2 2019 vs. \$0.64 in Q2 2018
- PSE&G results benefited from increased investment in utility infrastructure and rate relief
- PSEG Power results impacted by lower market prices and capacity revenues, partly offset by ZEC revenues, higher generation volumes and cost control

Operational Excellence

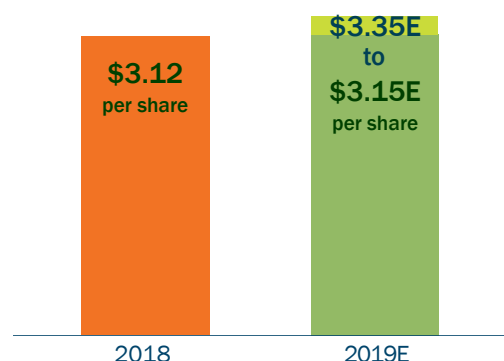
- PSE&G achieved top quartile performance among large utilities in the East in JD Power's 2019 Electric Utility Residential Customer Satisfaction Study
- Nuclear achieved an average capacity factor of 91% in the first half of 2019

Disciplined Capital Investment

- Powering Progress initiatives:
 - Agreement in principle reached in ES II
 - Agreement in principle reached to extend CEF - EE proceeding into 2020
 - CCGT construction program concluded with BH5 commercial operation

PSEG - Re-affirming 2019 Guidance

Non-GAAP Operating Earnings* and 2019 Guidance



Q2 Results by Subsidiary

| | Financial Results | | Earnings per Share (EPS) | |
|--|-------------------|--------|--------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 |
| \$ millions (except EPS) | | | | |
| PSE&G (Net Income) | \$ 227 | \$ 231 | \$ 0.45 | \$ 0.46 |
| PSEG Power (Net Income/(Loss)) | \$ (40) | \$ 41 | \$ (0.08) | \$ 0.08 |
| PSEG Power (non-GAAP Op. Earnings)* | \$ 69 | \$ 83 | \$ 0.13 | \$ 0.16 |
| PSEG Enterprise/Other (Net Loss) | \$ (34) | \$ (3) | \$ (0.07) | \$ (0.01) |
| PSEG Enterprise/Other (non-GAAP Op. Earnings)* | \$ (2) | \$ 11 | \$ - | \$ 0.02 |
| PSEG (Net Income) | \$ 153 | \$ 269 | \$ 0.30 | \$ 0.53 |
| PSEG (non-GAAP Operating Earnings)* | \$ 294 | \$ 325 | \$ 0.58 | \$ 0.64 |

Key Performance Highlights

| as of 6/30/2019 | |
|---|---------|
| Stock Price on 6/30/2019 | \$58.82 |
| Dividends Paid per Share (year-to-date) | \$0.94 |
| Dividend Yield (%) | 3.2% |
| Average Shares Outstanding, Diluted (in millions) | 507 |
| Book Value Per Common Share | \$29.28 |

* See Items excluded from Net Income/(Loss) 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 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>.

Items Excluded from Net Income/(Loss) to Reconcile to 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, |
|--|--------------------------------|----------------|------------------------------|----------------|----------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2018 |
| (\$ millions, Unaudited) | | | | | |
| Net Income | \$ 153 | \$ 269 | \$ 853 | \$ 827 | \$ 1,438 |
| (Gain) Loss on Nuclear Decommissioning Trust (NDT) | | | | | |
| Fund Related Activity, pre-tax (PSEG Power) | (41) | (9) | (168) | 15 | 144 |
| (Gain) Loss on Mark-to-Market (MTM), pre-tax ^(a) (PSEG Power) | (210) | 67 | (316) | (51) | 117 |
| Plant Retirements and Dispositions, pre-tax (PSEG Power) | 395 | (1) | 395 | 3 | (51) |
| Lease Related Activity, pre-tax (PSEG Enterprise/Other) | 58 | 20 | 58 | 20 | 8 |
| Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b) | (61) | (21) | 19 | 3 | (74) |
| Operating Earnings (non-GAAP) | \$ 294 | \$ 325 | \$ 841 | \$ 817 | \$ 1,582 |
| PSEG Fully Diluted Average Shares Outstanding (in millions) | 507 | 507 | 507 | 507 | 507 |
| (\$ Per Share Impact - Diluted, Unaudited) | | | | | |
| Net Income | \$ 0.30 | \$ 0.53 | \$ 1.68 | \$ 1.63 | \$ 2.83 |
| (Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power) | (0.08) | (0.01) | (0.33) | 0.03 | 0.28 |
| (Gain) Loss on MTM, pre-tax ^(a) (PSEG Power) | (0.41) | 0.13 | (0.62) | (0.10) | 0.23 |
| Plant Retirements and Dispositions, pre-tax (PSEG Power) | 0.78 | - | 0.78 | 0.01 | (0.10) |
| Lease Related Activity, pre-tax (PSEG Enterprise/Other) | 0.11 | 0.03 | 0.11 | 0.03 | 0.02 |
| Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b) | (0.12) | (0.04) | 0.04 | 0.01 | (0.14) |
| Operating Earnings (non-GAAP) | \$ 0.58 | \$ 0.64 | \$ 1.66 | \$ 1.61 | \$ 3.12 |

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

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

PSEG Power Operating Earnings (non-GAAP) Reconciliation

| Reconciling Items | Three Months Ended June 30, | | Year Ended December 31, |
|---|--------------------------------|--------------|----------------------------|
| | 2019 | 2018 | 2018 |
| (\$ millions, Unaudited) | | | |
| Net Income (Loss) | \$ (40) | \$ 41 | \$ 365 |
| (Gain) Loss on NDT Fund Related Activity, pre-tax (a) | (41) | (9) | 144 |
| (Gain) Loss on MTM, pre-tax ^(b) | (210) | 67 | 117 |
| Plant Retirements and Dispositions, pre-tax (PSEG Power) | 395 | (1) | (51) |
| Income Taxes related to Operating Earnings (non-GAAP) reconciling items excluding Tax Reform ^(c) | (35) | (15) | (73) |
| Operating Earnings (non-GAAP) | \$ 69 | \$ 83 | \$ 502 |
| PSEG Fully Diluted Average Shares Outstanding (in millions) | 507 | 507 | 507 |

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

| Reconciling Items | Three Months Ended June 30, | | Year Ended December 31, |
|--|--------------------------------|---------------|----------------------------|
| | 2019 | 2018 | 2018 |
| (\$ millions, Unaudited) | | | |
| Net Income (Loss) | \$ (34) | \$ (3) | \$ 6 |
| Lease Related Activity, pre-tax | 58 | 20 | 8 |
| Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform ^(a) | (26) | (6) | (1) |
| Operating Earnings (non-GAAP) | \$ (2) | \$ 11 | \$ 13 |
| PSEG Fully Diluted Average Shares Outstanding (in millions) | 507 | 507 | 507 |

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

(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.