



Public Service Enterprise Group

FOURTH QUARTER AND FULL YEAR 2023
NYSE: PEG

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 Item 1A. Risk Factors, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), Item 8. Financial Statements and Supplementary Data—Note 13. Commitments and Contingent Liabilities, and other filings we make with the United States Securities and Exchange Commission (SEC), including our subsequent reports on Form 10-Q and Form 8-K. These factors include, but are not limited to:

- any inability to successfully develop, obtain regulatory approval for, or construct transmission and distribution, and our nuclear generation projects;
- the physical, financial and transition risks related to climate change, including risks relating to potentially increased legislative and regulatory burdens, changing customer preferences and lawsuits;
- any equipment failures, accidents, critical operating technology or business system failures, natural disasters, severe weather events, acts of war, terrorism or other acts of violence, sabotage, physical attacks or security breaches, cyberattacks or other incidents that may impact our ability to provide safe and reliable service to our customers;
- any inability to recover the carrying amount of our long-lived assets;
- disruptions or cost increases in our supply chain, including labor shortages;
- any inability to maintain sufficient liquidity or access sufficient capital on commercially reasonable terms;
- the impact of cybersecurity attacks or intrusions or other disruptions to our information technology, operational or other systems;
- a material shift away from natural gas toward increased electrification and a reduction in the use of natural gas;
- failure to attract and retain a qualified workforce;
- increases in the costs of equipment, materials, fuel, services and labor;
- the impact of our covenants in our debt instruments and credit agreements on our business;
- adverse performance of our defined benefit plan trust funds and Nuclear Decommissioning Trust Fund and increases in funding requirements and pension costs;

- any inability to extend certain significant contracts on terms acceptable to us;
- development, adoption and use of Artificial Intelligence by us and our third-party vendors;
- fluctuations in, or third-party default risk in wholesale power and natural gas markets, including the potential impacts on the economic viability of our generation units;
- our ability to obtain adequate nuclear fuel supply;
- changes in technology related to energy generation, distribution and consumption and changes in customer usage patterns;
- third-party credit risk relating to our sale of nuclear generation output and purchase of nuclear fuel;
- any inability to meet our commitments under forward sale obligations and Regional Transmission Organization rules;
- the impact of changes in state and federal legislation and regulations on our business, including PSE&G's ability to recover costs and earn returns on authorized investments;
- PSE&G's proposed investment projects or programs may not be fully approved by regulators and its capital investment may be lower than planned;
- our ability to receive sufficient financial support for our New Jersey nuclear plants from the markets, production tax credit and/or zero emission certificates program;
- adverse changes in and non-compliance with energy industry laws, policies, regulations and standards, including market structures and transmission planning and transmission returns;
- risks associated with our ownership and operation of nuclear facilities, including increased nuclear fuel storage costs, regulatory risks, such as compliance with the Atomic Energy Act and trade control, environmental and other regulations, as well as operational, financial, environmental and health and safety risks;
- changes in federal and state environmental laws and regulations and enforcement;
- delays in receipt of, or an inability to receive, necessary licenses and permits and siting approvals; and
- changes in tax laws and regulations.

All of the forward-looking statements made in this report 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 report apply only as of the date of this report. 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 report 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 in addition to its Net Income/(Loss) reported in accordance with accounting principles generally accepted in the United States (GAAP). Operating Earnings is a non-GAAP financial measure that differs from Net Income/(Loss). Non-GAAP Operating Earnings exclude the impact of gains (losses) associated with the Nuclear Decommissioning Trust (NDT), Mark-to-Market (MTM) accounting and other material infrequent items. 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 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. The presentation of non-GAAP Operating Earnings is intended to complement, and should not be considered an alternative to, the presentation of

Net Income/(Loss), 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 this non-GAAP financial measure to the most directly comparable GAAP financial measure because comparable GAAP measures are not reasonably accessible or reliable due to the inherent difficulty in forecasting and quantifying measures that would be required for such reconciliation. Namely, we are not able to reliably project without unreasonable effort MTM and NDT gains (losses), for future periods due to market volatility. These items are uncertain, depend on various factors, and may have a material impact on our future GAAP results.

From time to time, PSEG and PSE&G release important information via postings on their corporate Investor Relations website at <https://investor.pseg.com>. Investors and other interested parties are encouraged to visit the Investor Relations website to review new postings. You can sign up for automatic email alerts regarding new postings at the bottom of the webpage at <https://investor.pseg.com> or by navigating to the Email Alerts webpage [here](#). The information on <https://investor.pseg.com> and <https://investor.pseg.com/resources/email-alerts/default.aspx> is not incorporated herein and is not part of this communication or the Form 8-K to which it is an exhibit.

PSEG Q4 and Full Year 2023 Highlights

Solid Fourth Quarter and Full Year Results

- Net Income of \$1.10 per share in Q4; Net Income of \$5.13 per share in FY 2023
- Non-GAAP Operating Earnings* of \$0.54 per share in Q4; Non-GAAP Operating Earnings* of \$3.48 per share in FY 2023
- 2023 marks the 19th consecutive year PSEG has met or exceeded management's non-GAAP Operating Earnings guidance

Operational Excellence

- #1 in Customer Satisfaction with Residential and Business Electric Service in the East among Large Utilities by J.D. Power in 2023
- 2023 PA Consulting ReliabilityOne® Award for Outstanding Metropolitan Service Area Reliability Performance in the Mid-Atlantic Region for 22nd consecutive year
- Nuclear capacity factor remains strong at approximately 93% for full year 2023

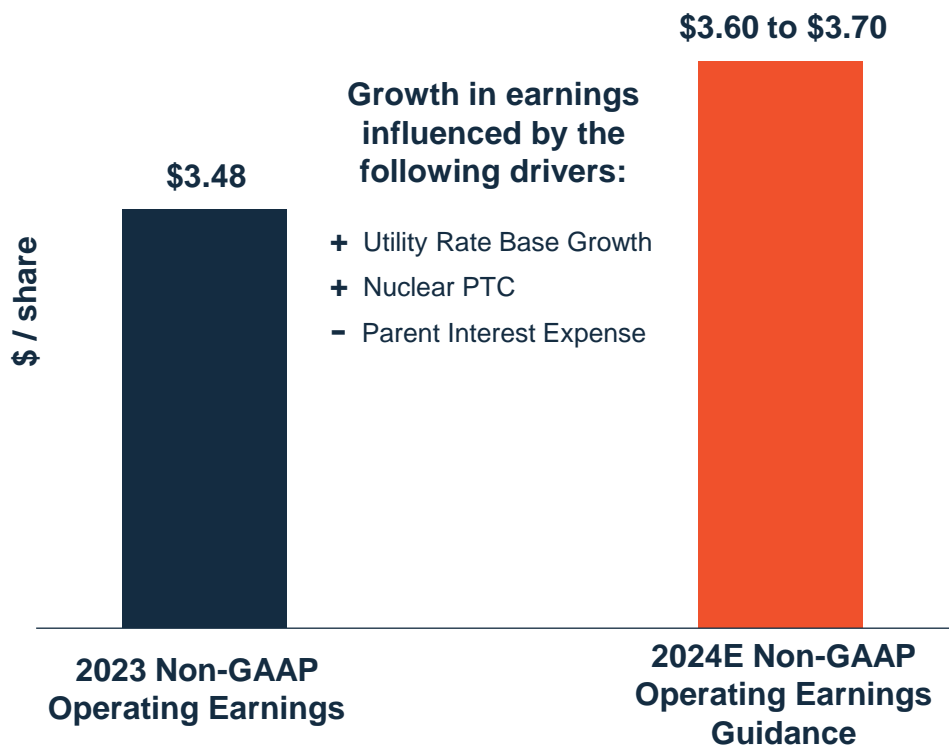
Disciplined Investment

- PSE&G successfully executed its largest single year capital investment program in 2023 totaling \$3.7 billion, including \$1 billion in Q4
- Regulated capital investment program for 2024 - 2028 of \$18 billion - \$21 billion driven by system modernization and New Jersey's decarbonization and energy policy goals
- PSE&G filed a required distribution rate case with the BPU, its first in nearly six years, primarily to recover prior investments
- PSE&G also submitted its CEF-EE II filing to the BPU; the \$3.1 billion proposal covers commitments made during the 30-month period from January 2025 through June 2027

* See Slides A and B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP) for PSEG, PSE&G and PSEG Power & Other.

Note: PSEG Power & Other includes nuclear generating fleet, gas supply operations, PSEG Long Island, Offshore wind lease area, competitively bid regulated transmission investments, potential hydrogen investments, Parent and other.

PSEG Outlook



- **Reaffirming PSEG full-year 2024 non-GAAP Operating Earnings guidance of \$3.60 to \$3.70 per share**
- **\$18B - \$21B** regulated capital investment program over 2024-2028
- 5-year capex plan supports **Rate Base CAGR of 6% - 7.5%** over the 2024-2028 period; YE 2023 rate base grew by 10% over YE 2022
- PSEG's improved business mix drives our **non-GAAP earnings growth rate of 5% - 7%** through 2028
- Carbon-free **nuclear fleet with predictable cash flows**, stabilized by the PTC beginning in 2024, enabling multiple growth paths with modest investment
- **Solid balance sheet supports execution of 5-year capex** plan with no new equity or asset sales needed to fund the plan
- **Increased 2024 indicative common dividend*** by **\$0.12 to \$2.40 per share**, the 13th consecutive increase in the annual dividend
- PSE&G retains **favorable "share of wallet"** for combined residential bills:
 - ✓ Gas bills are the lowest in the region
 - ✓ Electric bills are below regional peer average

Guidance for 2024 is consistent with PSEG's non-GAAP Operating Earnings growth outlook of 5% - 7% through 2028

* All future decisions and declarations regarding dividends on the common stock are subject to approval by the Board of Directors.



Q4 and FY 2023

Review

PSEG Q4 Results

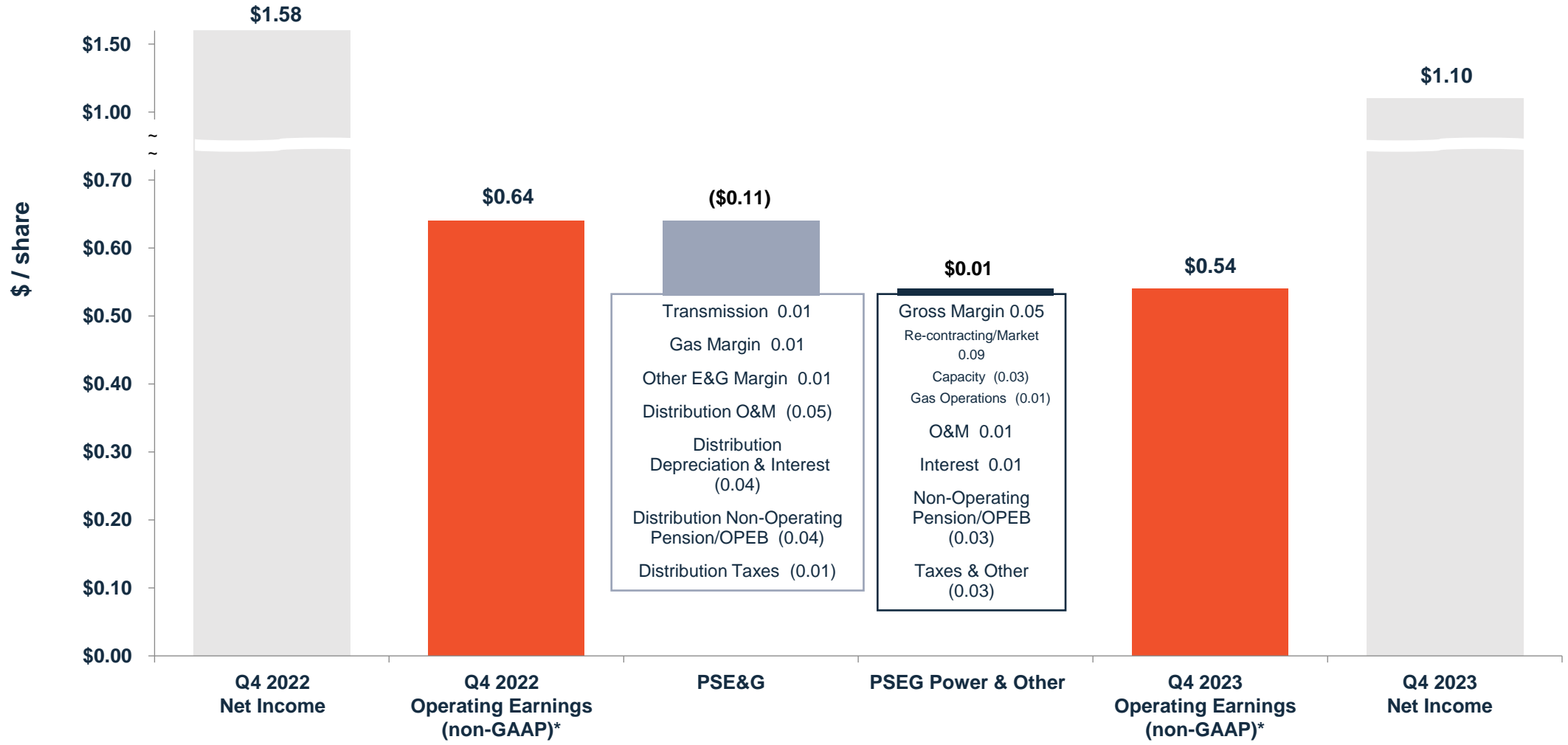
PSEG EPS Summary – Three Months ended December 31

Net Income	2023	2022	Change
PSE&G	\$0.58	\$0.70	\$(0.12)
PSEG Power & Other	<u>\$0.52</u>	<u>\$0.88</u>	<u>\$(0.36)</u>
Total PSEG	\$1.10	\$1.58	\$(0.48)

Non-GAAP Operating Earnings*	2023	2022	Change
PSE&G	\$0.59	\$0.70	\$(0.11)
PSEG Power & Other	<u>\$(0.05)</u>	<u>\$(0.06)</u>	<u>\$0.01</u>
Total PSEG	\$0.54	\$0.64	\$(0.10)

* See Slides A and B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP) for PSEG, PSE&G and PSEG Power & Other.

PSEG EPS Reconciliation – Q4 2023 versus Q4 2022



* See Slides A and B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP) for PSEG, PSE&G and PSEG Power & Other.
 Note: Results may not add due to rounding.

PSEG Full Year Results

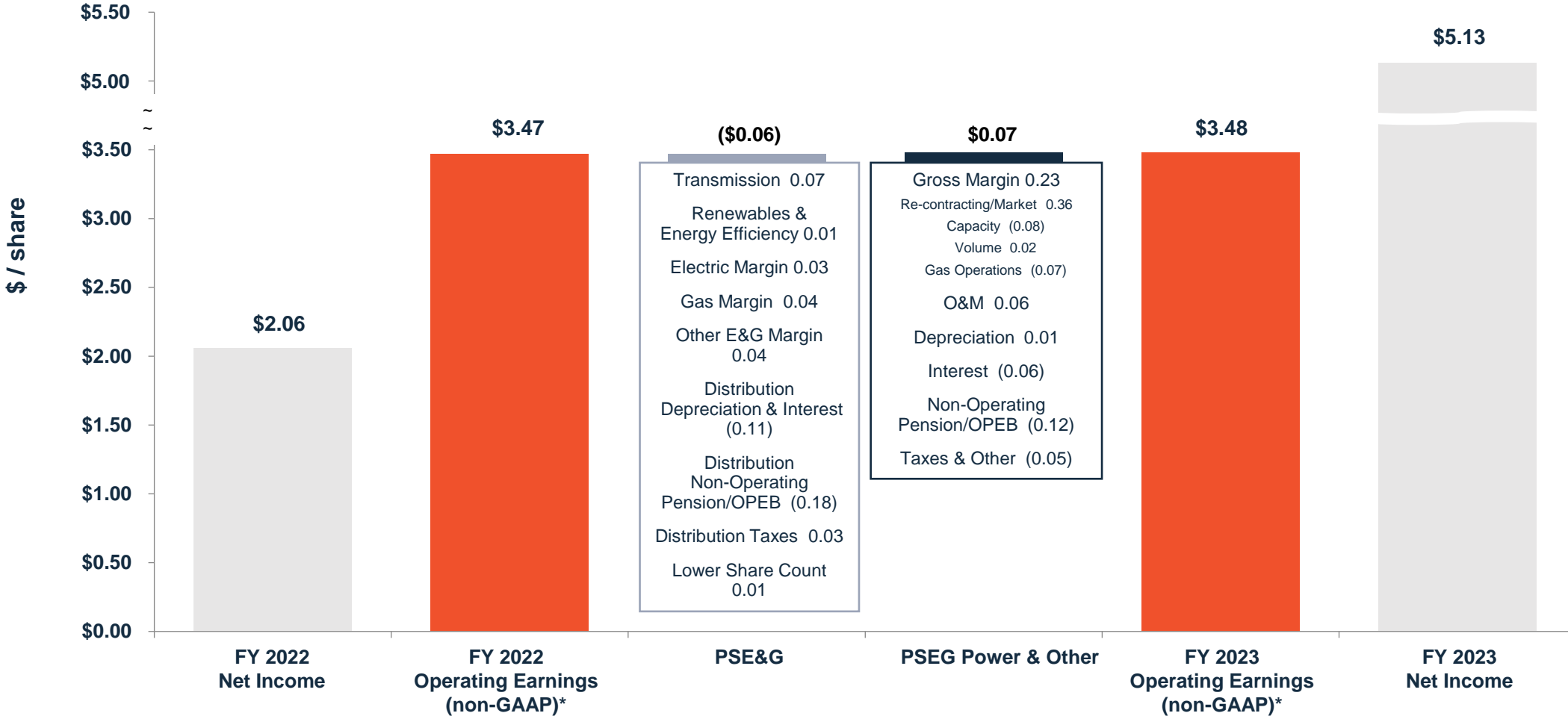
PSEG EPS Summary – Years ended December 31

Net Income/(Loss)	2023	2022	Change
PSE&G	\$3.03	\$3.12	\$(0.09)
PSEG Power & Other	<u>\$2.10</u>	<u>\$(1.06)</u>	<u>\$3.16</u>
Total PSEG	\$5.13	\$2.06	\$3.07

Non-GAAP Operating Earnings*	2023	2022	Change
PSE&G	\$3.06	\$3.12	\$(0.06)
PSEG Power & Other	<u>\$0.42</u>	<u>\$0.35</u>	<u>\$0.07</u>
Total PSEG	\$3.48	\$3.47	\$0.01

* See Slides A and B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP) for PSEG, PSE&G and PSEG Power & Other.
Note: Results may not add due to rounding.

PSEG EPS Reconciliation – FY 2023 versus FY 2022



* See Slides A and B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP) for PSEG, PSE&G and PSEG Power & Other.
 Note: Results may not add due to rounding.



PSE&G

Q4 and Full Year Highlights

Operations

- Residential Electric and Gas customer count, the driver of margin growth under the Conservation Incentive Program (CIP), each grew by ~1% in 2023
- CIP minimizes margin volatility due to variations in sales, regardless of the sales driver (weather, energy efficiency, net-metered solar, economy)
- Weather-normalized sales for the year ended December 31, 2023:
 - Electric sales decreased ~1%
 - Gas sales increased ~4%
- CEF-EC/AMI installations on schedule and on budget; over 1.5 million of the 2.3 million planned meter replacements in service

Regulatory and Market Environment

- Filed Distribution base Electric and Gas rate case with BPU in December 2023, as required by GSMP II
- Proposed 6-month extension of existing CEF-EE program investment of ~\$300 million beginning July 2024
- Filed CEF-EE II programs for \$3.1 billion in commitments starting January 2025 through June 2027 based on BPU's EE II framework to be spent over a six-year period
- Implemented annual FERC transmission formula rate increase of \$58 million effective January 1, 2024, subject to true-up
- Received settlement approval of GSMP II extension in October 2023 authorizing ~\$900 million of infrastructure spend through December 2025
- Christine Guhl-Sadovy (D) named BPU President; Michael Bange (R) recently appointed, joining Marian Abdou (R) and Dr. Zenon Christodoulou (D)

Financial

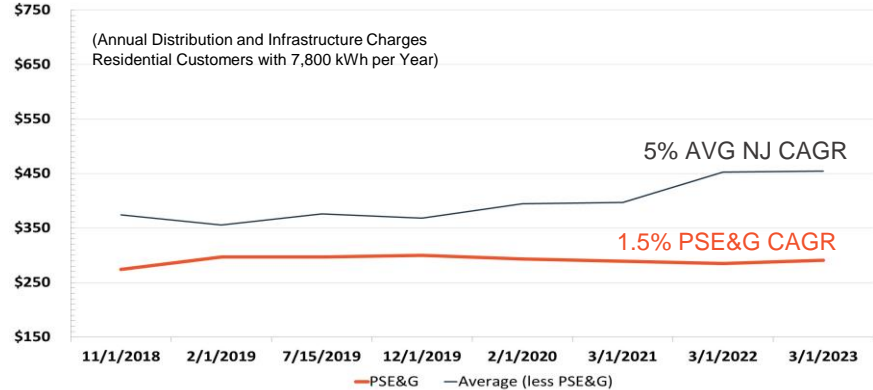
- PSE&G invested ~\$1 billion in Q4, completing its highest ever, capital spending plan of \$3.7 billion in a single year



PSE&G Base Rate Filing Seeks Recovery of Recent Investments; Cost Control and CEF-EE Programs Help to Keep Bills Affordable

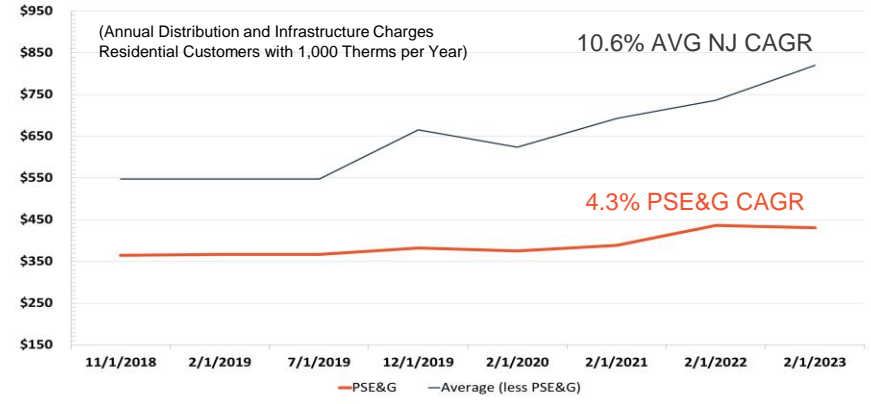
- First distribution base rate request in six years since January 2018; 9% overall revenue increase requested

New Jersey Electric Utility Costs 2018-2023



Source: Utility Tariffs

New Jersey Gas Utility Costs 2018-2023



Source: Utility Tariffs

Requested	Electric ER23120924	Gas GR23120925	Return on Equity	Common Equity
Revenue Increase	\$462 Million	\$364 Million	10.4%	55.5%

PSE&G has delivered stable distribution rates, paired with award-winning customer satisfaction

PSEG Power & Other

Nuclear Generation Measures

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Capacity Factor	85.8%	85.8%	93.2%	92.2%
Fuel Cost (\$ millions)	\$45	\$42	\$189	\$183
Generation (GWh)	7,328	7,338	31,599	31,265
Fuel Cost (\$/MWh)	\$6.14	\$5.72	\$5.98	\$5.85
Refueling Outages:	2022:	Spring – S1	Fall – HC, PB2	
	2023:	Spring – S2	Fall – S1, PB3	
	2024:	Spring – HC	Fall – S2, PB2	

PJM Capacity Auction Results

Delivery Period	PSEG's Average Prices	PSEG's Cleared Capacity
Jan 2024 – May 2024	\$50/MW-Day	3,700 MW
Jun 2024 – May 2025	\$55/MW-Day	3,500 MW

Other Financial Considerations

- For 2024, total nuclear generation is forecasted to be 30-32 TWh and is 90%-95% hedged at an average price of \$38 per MWh*
- Transitioning PSEG's 100%-owned Hope Creek unit from 18-month to 24-month fuel cycles starting in 2025
- In October, PSEG issued \$600 million of 5.88% Senior Notes due October 2028 and issued \$400 million of 6.13% Senior Notes due October 2033
- In November, PSEG retired \$750 million of 0.84% Senior Notes at maturity

* Numbers reflect management's view of hedged percentages and prices as of December 31, 2023 for 2024E. Prices for 2024E reflect energy revenues only. Hedged positions include MTM accounting treatment and options. Note: Generation indicates period net generation; Average Prices and Cleared Capacity reflect base and incremental auctions.



Appendix

PSEG Maintains a Solid Financial Position

PSEG

PSEG Senior Unsecured Credit Ratings

Moody's = Baa2 / Outlook = Stable S&P = BBB / Outlook = Stable

PSEG 364-Day Term Loan Outstanding ^(1,2)	\$0.50B
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PSEG Long-term Debt Outstanding	\$4.37B
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PSEG Consolidated Debt to Capitalization	57%
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PSEG Power Issuer Credit Ratings

Moody's = Baa2 / Outlook = Positive S&P = BBB / Outlook = Stable

PSEG Power Long-term Debt Outstanding ⁽²⁾	\$1.25B
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PSEG Liquidity and Net Cash Collateral Postings

- PSEG had approximately \$3.4B of total available liquidity, including \$54M of cash and cash equivalents, at 12/31/2023
- PSEG Power had net cash collateral postings of \$113M at 12/31/2023

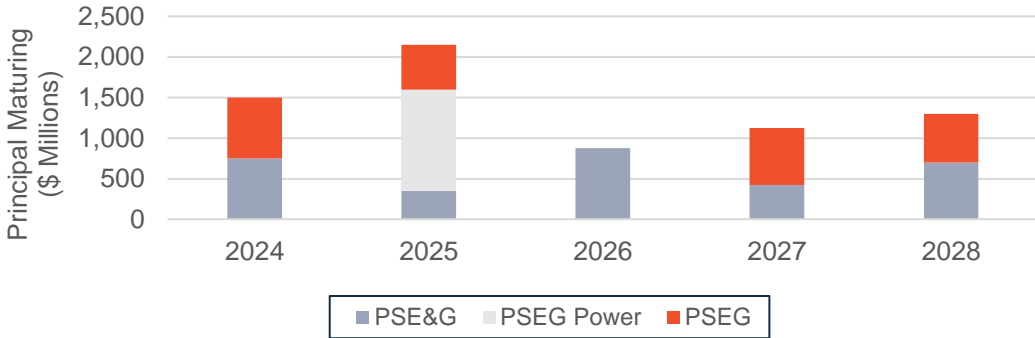
Public Service Electric & Gas

PSE&G Senior Secured Credit Ratings

Moody's = A1 / Outlook = Stable S&P = A / Outlook = Stable

PSE&G Long-term Debt Outstanding	\$13.66B
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PSEG Maturity Profile 2024 - 2028



All data is as of 12/31/2023 unless otherwise noted.

(1) 364-Day Term Loan is included in Short-Term Debt as Commercial Paper & Loans and as of 12/31/2023 included one term loan maturing April 2024 with a remaining balance of \$0.50B.

(2) PSEG 364-Day term loans and PSEG Power long-term debt are at a variable rate. As of 12/31/2023, PSEG had entered into floating-to-fixed interest rate swaps totaling \$1.4B to reduce the volatility in interest expense for a portion of our variable rate debt on our \$1.25B term loan due March 2025 at PSEG Power and PSEG's \$0.50B term loan due April 2024.

Note: Total Long-Term Debt Outstanding amounts may not add to PSEG Consolidated Total Long-Term Debt Outstanding due to rounding. Amounts on slide are rounded up to two decimal places.

PSEG Liquidity as of December 31, 2023

Company	Facility	Expiration Date	Total Facility	Usage	Available Liquidity
				(\$ millions)	
PSE&G	Revolving Credit Facility	March 2027	\$1,000	\$445	\$555
<u>PSEG Money Pool</u>					
PSEG/PSEG Power	Revolving Credit Facility (PSEG)	March 2027	\$1,500 ^(A,B)	\$27	\$1,473
	Revolving Credit Facility (PSEG Power)	March 2027	1,250 ^(A)	39	1,211
	Letter of Credit Facility (PSEG Power)	April 2026	75	66	9
	Letter of Credit Facility (PSEG Power)	September 2024	200	83	117
			\$3,025	\$215	\$2,810
		Total Facilities	\$4,025	\$660	\$3,365
		PSEG Money Pool Cash and Short-term Investments			\$24
		PSE&G Cash and Short-term Investments			\$30
			Total Liquidity Available		\$3,419
		Total Money Pool Liquidity Available			\$2,834

(A) Master Facility of \$2.75B with a PSEG sublimit of \$1.5B and PSEG Power sublimit of \$1.25B, which can be adjusted subject to terms within the credit agreement.

(B) The PSEG sublimit includes a sustainability linked pricing-based mechanism with potential increases or decreases, which are not expected to be material, depending on performance relative to targeted methane emission reductions.

PSEG Sustainability and ESG Summary

PSEG Leadership

- PSE&G’s Clean Energy Future programs have invested ~\$2B to decarbonize the NJ economy via Energy Efficiency, EV infrastructure, and AMI
- Accelerated PSEG’s climate vision for Net Zero GHG emissions to 2030 for Scopes 1 & 2
- PSEG submitted proposed emissions reduction targets to the Science Based Targets initiative
- PSEG generating fleet is a Top 10 U.S. producer of carbon-free energy
- ~\$1B of regulated solar investments
- PSE&G has issued \$1.4 billion of Green Bonds and PSEG sub-limit of master credit facility includes sustainability-linked pricing mechanism
- [Link to PSEG’s 2023 Sustainability Report*](#)

Policies & Goals

- PSEG is a vocal advocate for an economy-wide price on carbon and preservation of our existing carbon-free nuclear generating fleet
- Committed to rigorous oversight of political contributions and transparency in disclosure
- PSEG oversight of sustainability and climate initiatives by Board of Directors’ Governance, Nominating and Sustainability Committee
- Human Rights Policy
- LGBTQ+ Inclusion Pledge
- PSEG’s business strategy is aligned with many of the United Nations’ Sustainable Development Goals

Recognition & Memberships

- MSCI rates PSEG at AAA, its highest corporate ESG rating
- Named to the Dow Jones Sustainability North America Index for 16 years in a row
- Named to Forbes List for America’s Best Employers for Diversity for 2023
- Named Member of S&P Global’s 2024 Sustainability Yearbook
- PSE&G received the PA Consulting ReliabilityOne® Award for Outstanding Metropolitan Service Area Reliability Performance in the Mid-Atlantic Region for 22nd consecutive year and the 2023 ReliabilityOne® Outstanding Customer Engagement Award
- PSEG named to 2023 CPA-Zicklin Index “Trendsetters” with a score of 90 out of a possible 100 for Corporate Political Disclosure practices and Accountability



* The 2023 Sustainability Report should not be deemed incorporated into or part of these slides.

Scope 1 are direct emissions from power generation, vehicle fleets and methane, SF₆ and refrigerant leaks; Scope 2 are indirect emissions from operations from purchased energy of electric and gas and line losses; Scope 3 are indirect emissions from our value chain.

Glossary of Terms

AMI Automated Metering Infrastructure
BPU New Jersey Board of Public Utilities
CAGR Compound Annual Growth Rate
CEF Clean Energy Future
CIP Conservation Incentive Program
E Estimate
E&G Electric & Gas
EC Energy Cloud
EE Energy Efficiency
EPS Earnings Per Share
ESG Environmental, Social and Governance
EV Electric Vehicle
FERC Federal Energy Regulatory Commission

GAAP Generally Accepted Accounting Principles
GHG Greenhouse Gas
GSMP II Gas System Modernization Program II
HC Hope Creek
MSCI Morgan Stanley Capital International
O&M Operation & Maintenance
OPEB Other Postretirement Benefits
PB Peach Bottom
PJM Pennsylvania New Jersey Maryland
PTC Production Tax Credit
S Salem
SF₆ Sulfur Hexafluoride

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[Link to PSEG Investor Relations Website](#)



[Link to PSEG ESG Webpages](#)

Reconciliation of Non-GAAP Operating Earnings

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

Reconciling Items	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
	(\$ millions, Unaudited)			
Net Income	\$ 546	\$ 788	\$ 2,563	\$ 1,031
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax	(126)	(85)	(184)	270
(Gain) Loss on Mark-to-Market (MTM), pre-tax ^(a)	(291)	(611)	(1,334)	635
Pension Settlement Charges, pre-tax	6	-	338	-
Plant Retirements, Dispositions and Impairments, pre-tax ^(b)	-	14	-	31
Lease Related Activity, pre-tax	7	25	7	78
Exit Incentive Program (EIP), pre-tax	4	-	29	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(c)	125	187	323	(306)
Operating Earnings (non-GAAP)	<u>\$ 271</u>	<u>\$ 318</u>	<u>\$ 1,742</u>	<u>\$ 1,739</u>
PSEG Fully Diluted Average Shares Outstanding (in millions)	500	500	500	501
	(\$ Per Share Impact - Diluted, Unaudited)			
Net Income	\$ 1.10	\$ 1.58	\$ 5.13	\$ 2.06
(Gain) Loss on NDT Fund Related Activity, pre-tax	(0.26)	(0.17)	(0.37)	0.54
(Gain) Loss on MTM, pre-tax ^(a)	(0.58)	(1.22)	(2.67)	1.27
Pension Settlement Charges, pre-tax	0.02	-	0.68	-
Plant Retirements, Dispositions and Impairments, pre-tax ^(b)	-	0.03	-	0.06
Lease Related Activity, pre-tax	0.01	0.05	0.01	0.15
EIP, pre-tax	0.01	-	0.06	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(c)	0.24	0.37	0.64	(0.61)
Operating Earnings (non-GAAP)	<u>\$ 0.54</u>	<u>\$ 0.64</u>	<u>\$ 3.48</u>	<u>\$ 3.47</u>

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

(b) Full year 2022 includes the results for fossil generation sold in February 2022.

(c) Income tax effect calculated at the statutory rate except for qualified NDT related activity, which records an additional 20% trust tax on income (loss) from qualified NDT Funds, and lease related activity.

Please see Slide 3 for an explanation of PSEG's use of Operating Earnings as a non-GAAP financial measure and how it differs from Net Income.

Reconciliation of Non-GAAP Operating Earnings

PSE&G Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
	(\$ millions, Unaudited)			
Net Income	\$ 291	\$ 352	\$ 1,515	\$ 1,565
EIP, pre-tax	2	-	19	-
Pension Settlement Charges, pre-tax	4	-	4	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items	(1)	-	(6)	-
Operating Earnings (non-GAAP)	<u>\$ 296</u>	<u>\$ 352</u>	<u>\$ 1,532</u>	<u>\$ 1,565</u>
PSEG Fully Diluted Average Shares Outstanding (in millions)	500	500	500	501

PSEG Power & Other Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
	(\$ millions, Unaudited)			
Net Income (Loss)	\$ 255	\$ 436	\$ 1,048	\$ (534)
(Gain) Loss on NDT Fund Related Activity, pre-tax	(126)	(85)	(184)	270
(Gain) Loss on MTM, pre-tax ^(a)	(291)	(611)	(1,334)	635
Pension Settlement Charges, pre-tax	2	-	334	-
Plant Retirements, Dispositions and Impairments, pre-tax ^(b)	-	14	-	31
Lease Related Activity, pre-tax	7	25	7	78
EIP, pre-tax	2	-	10	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(c)	126	187	329	(306)
Operating Earnings (non-GAAP)	<u>\$ (25)</u>	<u>\$ (34)</u>	<u>\$ 210</u>	<u>\$ 174</u>
PSEG Fully Diluted Average Shares Outstanding (in millions)	500	500	500	501

- (a) Includes the financial impact from positions with forward delivery months.
- (b) Full year 2022 includes the results for fossil generation sold in February 2022.
- (c) Income tax effect calculated at the statutory rate except for qualified NDT related activity, which records an additional 20% trust tax on income (loss) from qualified NDT Funds, and lease related activity.