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PSEG Strategy Continues to Produce Results

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Company poised to invest $4.7 billion during 2017, more than any previous year

(April 18, 2017 – Newark, N.J.) – Public Service Enterprise Group's (PSEG) success in adjusting to changing market dynamics and customer demands has produced strong financial results, PSEG Chairman, President and CEO Ralph Izzo told shareholders at the company's annual meeting, held today in Newark.

Izzo outlined the company's $15 billion, five-year capital spending program, which will upgrade the company's energy infrastructure. This program includes spending $4.7 billion during 2017 to improve the efficiency and reliability of the company's utility, Public Service Electric & Gas (PSE&G), and its wholesale generator, PSEG Power. This capital expenditure represents a record amount for PSEG to invest in any one year.

Izzo said these investments are being made as the utility industry is evolving due to the low cost of natural gas, the continued growth of renewables and changing customer demands.

"In response, we have increased investment in our utility and regulated assets, increasing PSE&G's percentage of our 2016 earnings," Izzo said. "Today, the utility represents more than 60 percent of earnings, and its share is forecast to continue to grow this year."

Izzo told shareholders that the company's strategy and the strength of its financial position successfully delivered double-digit growth in rate base and earnings in 2016 at PSE&G.

"Our results once again reflect the strength and stability of our business model," he said. "We are executing well on our capital investments, to the benefit of customers, shareholders and New Jersey's economy."

Strong financial performance has also allowed PSEG to steadily increase its dividend. In February, the company raised its indicative annual dividend to $1.72 per share for 2017, from $1.64 per share in 2016. PSEG has now paid dividends for 110 consecutive years – putting it among a select group of companies.

Significant utility investments include the Gas System Modernization Program, which replaces aging cast-iron and steel gas mains, and the Energy Strong program implemented after Superstorm Sandy, which fortifies PSE&G's electric and gas distribution systems against the next damaging storm. In October, the New Jersey Board of Public Utilities approved an $80 million extension to PSE&G's Solar 4 All program, allowing an additional 33 megawatts of solar development on landfills and brownfields. Utility investments account for more than 80 percent of PSEG's planned capital expenditures over the next five years. The utility's investment program is expected to yield 7% - 9% growth in rate base through the end of the decade.

Growth of the utility is offsetting the challenges to PSEG Power, which are primarily due to falling electricity prices, Izzo added. The company is monitoring the impact lower wholesale electricity prices, resulting from persistently low-priced natural gas, are having on the finances of the company's nuclear facilities.

"Our management team is committed to the continued implementation of disciplined cost control at these facilities and advocates for policies that recognize nuclear power as a source of safe, clean energy and an essential piece of a diverse, reliable energy portfolio," Izzo said.

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Forward Looking Statements

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