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Izzo Outlines PSEG's Investment Strategy at Annual Shareholder Meeting

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Strong earnings from transmission investment and performance of power operations

Calls for approval of Energy Strong proposal

PSEG's chairman, president and CEO Ralph Izzo today told shareholders at the company's annual meeting that PSEG is investing billions in projects aimed at improving reliability, helping the environment and stimulating the economy. In addition, he detailed the company's plans to spend the next decade hardening New Jersey's energy infrastructure against extreme weather. He highlighted the company's investments in transmission, energy efficiency and renewable energy as well as the performance of its generation fleet.

"We have a proven strategy, and we continue to reap benefits from our robust business mix, which includes being one of the most reliable electric and gas utilities in the nation as well as one of America's leading wholesale energy producers," Izzo said.

Izzo detailed the company's $12 billion five-year capital spending program, which is largely dedicated to investments in the transmission system - work that will improve reliability in the region. The utility is constructing five major transmission lines, which are scheduled to be operational this year through 2015. And it recently received approval for an additional major transmission project slated to be in service by June 2018. That work is creating thousands of jobs.

Izzo highlighted the performance of PSEG Power, the company's wholesale energy supply business, noting that the company has a well-run fleet that is environmentally responsible and geographically well positioned.

In 2013, the company's nuclear fleet achieved a nuclear capacity factor in excess of 90 percent for the ninth year in a row, with its Salem 2 nuclear unit setting a new plant record for electricity output. The fossil fleet had its best year ever from a safety standpoint, ranking in the top 10 percent in the industry. And PSEG's Linden combined-cycle generating station achieved record electricity output.

"Our fleet's diversity helps us meet the market's needs by providing more options as well. Indeed, our generation fleet is one of the most diverse by fuel mix and dispatch capability among all major power producers in the United States. I'm proud to say that as a result of effective long-range planning by our Power group, we were able to deliver significant savings on gas to our NJ customers this winter," Izzo said.

Most of PSEG's generation units are located near population centers, creating a locational advantage that has been enhanced by the company's access to Marcellus shale gas from Pennsylvania. PSEG has put that access to good use – allowing the utility to deliver significant savings to gas customers.

The chairman noted that while people are using less electricity they have nonetheless become more dependent on electricity, and extreme storms like Sandy have revealed the vulnerability of existing infrastructure. He detailed the company's plan to make proactive investments that will help protect against the ravages of future storms.

"There is widespread appreciation that resiliency investments are important for a sustainable future," Izzo said. "These improvements will significantly benefit all of our customers and would create thousands of jobs and contribute to New Jersey's long-term economic health."

"Energy Strong" calls for investing $3.9 billion over 10 years (the first phase, which invests $2.6 billion in the first five years, is currently under review by the Board of Public Utilities.) This proposal will fortify facilities that were impacted by previous storms and deploy technologies that will help PSE&G restore service to customers more quickly during future storms. The plan has received unprecedented support, with endorsements from more than 100 New Jersey towns and counties, representing approximately five million people. Last week, leading legislators State Senate President Steven Sweeney, Senator Loretta Weinberg and Assembly Speaker Vincent Prieto expressed support for Energy Strong, saying it needed to

be done now.

Izzo pointed to the active role PSEG is taking in building a greener energy future, citing PSE&G's investments in energy efficiency programs that are helping customers reduce their energy bills. He also noted the company's investment of more than $700 million to develop nearly 160 megawatts of solar power, helping New Jersey to become a leader in solar energy development. The company plans, he said, to develop additional solar energy facilities on landfills and brownfields. In addition, PSEG has continued to grow its solar energy business beyond its utility service area.

Izzo noted that PSEG Long Island has gotten off to a strong start, and concluded by noting that PSEG continues to have one of the longest records of paying dividends in corporate America. The company has paid dividends every year since 1907. In February 2014, PSEG raised its indicated annual dividend rate to $1.48 per share from $1.44 per share. This was the tenth increase in its dividend in the last 11 years.

Forward-Looking Statement

The statements contained in this communication 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, are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Although we believe that our expectations are based on information currently available and on reasonable assumptions, we can give no assurance they will be achieved. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. A discussion of some of these risks and uncertainties is contained in our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission (SEC), and available on our website: http://www.pseg.com [3]. These documents address in further detail our business, industry issues and other factors that could cause actual results to differ materially from those indicated in this communication. In addition, any forward-looking statements included herein represent our estimates only as of the date hereof and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even if our internal estimates change, unless otherwise required by applicable securities laws.

Public Service Enterprise Group (NYSE:PEG) is a publicly traded diversified energy company with annual revenues of $10 billion. Its operating subsidiaries are: PSEG Power, Public Service Electric and Gas Company (PSE&G) and PSEG Long Island.

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