



# PSEG Long Island Receives Final Regulatory Approval

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## *Favorable IRS ruling paves the way for enhanced operating services agreement with increased ability to make necessary improvements*

Public Service Enterprise Group (PSEG) announced today that its newest subsidiary – PSEG Long Island – will operate under an enhanced operating services agreement when it begins managing the Long Island Power Authority’s electric system on Jan. 1, 2014. The enhanced contract can take effect now that LIPA has received a favorable ruling from the Internal Revenue Service that it can retain its tax exempt status. The IRS decision was the final regulatory approval needed before the revised contract could take effect.

The enhanced contract, reached in July following adoption of the LIPA Reform Act, gives PSEG Long Island increased accountability and decision-making ability in managing LIPA’s transmission and distribution system that serves 1.1 million customers on Long Island and the Rockaway Peninsula.

“The IRS decision is certainly good news as we prepare to assume responsibility for the LIPA system in just five days,” said David M. Daly, president and COO of PSEG Long Island. “Our new contract provides us with greater authority over day-to-day operations, including budgeting, maintenance, storm preparedness and response, infrastructure improvements, and energy efficiency and renewable activities. We have made a strong commitment to bring PSEG’s reputation for excellence to Long Island, and provide customers with a level of service they expect and deserve from their electric utility.”

The revised contract also paves the way for the new company to be branded with the familiar orange sunburst that has been part of the PSEG brand for more than 40 years in New Jersey, Connecticut and Bethlehem, NY. PSEG Long Island will begin placing its brand on utility vehicles, customer bills, signage at company work locations, and employee uniforms on Jan.1. All company employees – from meter readers to managers – will wear identification badges that sport the new logo.

PSEG Long Island LLC was selected by LIPA in Dec. 2011 to manage LIPA’s electric system. The 12-year contract includes commitments to improve customer satisfaction and provide safe, reliable service for LIPA customers.

*Public Service Enterprise Group (NYSE:PEG) is a publicly traded diversified energy company with annual revenues of approximately \$10 billion, and three principal subsidiaries: PSEG Power, Public Service Electric and Gas Company (PSE&G) and PSEG Energy Holdings.*

**Forward-Looking Statement**

The statements contained in this communication about us 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> [2]. 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.

**Language:**

English

**Contact:**

Kathleen A. Lally, Vice President – Investor Relations Phone, 973-430-6565  
Carlotta Chan Lane, Manager - Investor Relations Phone, 973-430-6596

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