



# Approval in PSE&G's Base Rate Review Keeps Customer Bills Stable and 30 Percent Lower Than in 2008

## Release Date:

Monday, October 29, 2018 12:33 pm EDT

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Newark

## Contacts:

[Brian Reighn](#) <sup>[3]</sup>

[Carlotta N. Chan](#) <sup>[4]</sup>

*Customers continue to benefit from tax reform and  
strong cost control*

(Newark, NJ – Oct. 29, 2018) PSE&G today received approval from the New Jersey Board of Public Utilities of the settlement of its distribution base rate review. The settlement agreement keeps bills for the typical combined electric and gas residential customer stable and at levels that are 30 percent lower than customers paid in 2008. With today's approval, new rates will become effective on November 1.

The agreement provides for a net \$13 million reduction in annual revenues after factoring in benefits from federal tax reform and other tax effects. Specifically, the company will receive an additional \$212 million in annual revenues, including recovery of storm costs that had been deferred until now, but return \$225 million in tax savings in large part due to tax reform.

"We're pleased that the BPU approved the agreement we had reached with Board staff, the Division of Rate Counsel, and several other parties," said Dave Daly, PSE&G president and COO. "The agreement will enable us to keep customer bills essentially flat while providing the ability to invest in our electric and gas systems." Daly said the agreement reflects the company's successful efforts to control costs as well as the impacts of recent federal tax reform.

The typical combined residential electric and gas customer can expect a reduction of 0.1 percent, or about \$2 less per year. Commercial and industrial electric customers on average will see no bill change, while gas customers on average will see a reduction of 1-2 percent.

The settlement agreement provides for a distribution rate base of \$9.5 billion, a return on equity of 9.6 percent and a 54 percent equity ratio.

In 2018, PSE&G customers will have benefitted from \$262 million in annual rate reductions to reflect savings from lower tax rates enacted by federal tax reform.

# # #

*Public Service Electric and Gas Company (PSE&G) is New Jersey's oldest and largest regulated gas and electric delivery utility, serving nearly three-quarters of the state's population. PSE&G is the winner of the ReliabilityOne Award for superior electric system reliability. PSE&G is a subsidiary of Public Service Enterprise Group Incorporated (PSEG) (NYSE:PEG), a diversified energy company. In 2018, PSEG was named a member of the Dow Jones Sustainability North American Index for the 11<sup>th</sup> year in a row.*

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The statements contained in this press release that are not purely historical are “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. Factors that may cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed 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 its website: <https://investor.pseg.com> [10]. All of the forward-looking statements made in this press release 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 press release apply only as of the date hereof. 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.

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