



PSE&G Proposes to Cut Residential Gas Bills by Another 7.4 Percent

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PSE&G customers paid about 20 percent less for gas than other utilities in the region
New reductions to put an extra \$64 in customers' pockets

(Newark, NJ - June 1, 2016) PSE&G today proposed to reduce residential natural gas bills this year by another 7.4 percent, saving customers \$64 per year. In its annual filing with the New Jersey Board of Public Utilities, PSE&G said it would reduce its basic gas supply rate this winter to 34 cents from 40 cents - the lowest rate in 16 years.

"Our rates have been about 20 percent less than other utilities in the region over the past two years," said Jorge Cardenas, PSE&G vice president of asset management and centralized services. "In addition, to put this proposed rate reduction into perspective, in 2009 PSE&G's gas supply rate was \$1.19 per therm. This year that rate would drop to 34 cents per therm. That is a huge savings."

As proposed, a typical residential heating customer* would see their annual bill reduced to \$806 from \$870 for a savings of \$64 or 7.4 percent. This same customer would see their monthly winter bill reduced to \$128 from \$139, for a savings of \$11 or about 8 percent. The new rates would take effect Oct. 1, 2016.

"As the price of natural gas continues to decline, we are pleased to once again pass these savings on to our residential customers," said Cardenas. "In addition to lower prices, PSE&G manages its portfolio of gas pipeline and storage agreements to lower gas costs and help keep gas bills affordable."

- Including the proposed reduction, since January 2009 the utility has decreased residential gas bills by 51 percent through supply rate reductions for an annual savings of \$854 for PSE&G's typical residential gas heating customer.
- In addition, PSE&G gave back \$152 million to customers -- in the form of bill credits -- during the last winter heating season.

PSE&G makes no profit on the sale of natural gas. The company passes along what it pays to customers. Costs for natural gas supply account for approximately half of a customer's bill.

*based on a customer using 165 therms in a winter month, and 1,010 therms per year

PSE&G

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.

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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> [8]. 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.

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