Published on *PSEG Investor Relations* (https://investor.pseg.com) on 10/4/18

Agreement Reached In PSE&G Base Rate Review Would Keep Customer Bills Stable And 30 Percent Lower Than In 2008

Release Date:
Thursday, October 4, 2018 8:31 am EDT

Terms:
Featured [1] Other IR News Releases [2]

Dateline City:
Newark

Customers continue to benefit from tax reform and

strong cost control

(Newark, NJ – October 4, 2018) PSE&G today filed an agreement with an administrative law judge that, if approved, would keep residential customer bills stable and at levels that are 30 percent lower than customers paid in 2008.

PSE&G has reached a settlement with the staff of the New Jersey Board of Public Utilities (BPU), the New Jersey Division of Rate Counsel and other parties in its base rate review filed in January, the company's first base rate review in eight years. The settlement will be reviewed by the administrative law judge before being submitted for consideration by the BPU on October 29. If approved by the BPU, new rates would 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 due largely to tax reform.

"We are pleased to have reached this agreement, and appreciate the efforts of BPU Staff, Rate Counsel, and all parties in the case to arrive at this outcome," said Dave Daly, PSE&G president and COO. "This agreement is certainly good news for our customers, who continue to benefit from our strong efforts to control costs as well as the lower taxes PSE&G is now paying. We're also pleased that we can keep bills essentially flat and at levels that are about 30 percent lower than they were a decade ago, and more than 40 percent lower when adjusted for inflation."

The typical combined residential electric and gas customer can expect a reduction of 0.1 percent, or almost $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.

So far in 2018, PSE&G customers have benefitted from $262 million in annual rate reductions to reflect savings from federal tax reform enacted in 2017. As part of this settlement, PSE&G will provide an additional one-time $39 million credit to customers in November and December 2018.

# # #

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 11th year in a row.

***Visit PSEG at**:*

www.pseg.com [3]

PSEG on Facebook [4]

PSEG on Twitter [5]

PSEG on LinkedIn [6]

PSEG blog, Energize! [7]

Forward-Looking Statements

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 [8]. 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.

From time to time, PSEG, PSE&G and PSEG Power release important information via postings on their corporate website at https://investor.pseg.com [8]. Investors and other interested parties are encouraged to visit the corporate website to review new postings. The “Email Alerts” link at https://investor.pseg.com [8] may be used to enroll to receive automatic email alerts and/or Really Simple Syndication (RSS) feeds regarding new postings.

Language:
English

Source URL: https://investor.pseg.com/press-release/featured/agreement-reached-pseg-base-rate-review-would-keep-customer-bills-stable-and-

Links:
[1] http://investor.pseg.com/category/universal-categories/%5Bcatpath-raw%5D
[2] http://investor.pseg.com/category/press-release-category/%5Bcatpath-raw%5D-1
[3] https://www.pseg.com/
[4] https://www.facebook.com/PSEG
[5] https://twitter.com/PSEGNews
[6] https://www.linkedin.com/company/pseg
[7] https://energizepseg.com/
[8] https://investor.pseg.com/