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PSE&G Proposes to Cut Residential Gas Bills by 5.7 Percent this Coming Winter

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Customers would save about $52 per year

Gas supply reductions have lowered customer bills 47 percent since 2009

(Newark, NJ – June 1, 2015) PSE&G today proposed to reduce residential natural gas bills this coming winter by 5.7 percent, saving customers almost $52 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 40 cents from 45 cents – the lowest rate in 15 years. Also included in this filing is a small reduction to the Balancing Charge to 9.4 cents from 9.6 cents.

Including the proposed reduction, since January 2009 the state's largest utility has decreased residential gas bills by 47 percent through supply rate reductions for an annual savings of $792 for PSE&G's typical residential gas heating customer. In addition, customers have saved another $433 through bill credits since 2012.

As proposed, a typical residential heating customer using 165 therms in a winter month, and 1,010 therms per year, would see their annual bill reduced to $868 from $920, for a savings of $52 or approximately 5.7 percent. This same customer would see their monthly winter bill reduced to $138 from $147, for a savings of $9 or approximately 5.9 percent. The new rates would take effect October 1, 2015.

"The price of natural gas continues to be low, and we are pleased to once again pass these savings on to our residential customers during the next winter heating season," said Jorge Cardenas, PSE&G vice president of asset management and centralized services. "In addition to purchasing gas from the nearby Marcellus Shale Formation, PSE&G has managed its portfolio of gas pipeline and storage agreements to lower gas costs for its residential customers and help keep winter heating bills affordable." Cardenas said the price per therm of gas in 2009 was about $1 compared with the proposed 40 cents this winter.

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.

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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 (www.pseg.com [4]).

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 [4]. 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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