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PSE&G FILES FOR GAS SUPPLY RATE INCREASE THIS FALL

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Gas bills are still half what they were in 2008

Residential electric bills drop 2.5 percent today – just in time for summer

(NEWARK, N.J. – June 1, 2017) Public Service Electric and Gas Co. (PSE&G) today filed for a modest increase in residential gas bills that would take effect this fall. If approved by the New Jersey Board of Public Utilities, this would be the first gas supply rate increase in nine years.

While the proposed gas rates would take effect this fall, bills for PSE&G's residential electric customers are dropping 2.5 percent today just in time for summer. The lower bills are the result of the Basic Generation Service auction held in February for customers who receive their electric supply from PSE&G. The typical customer who uses 750 kilowatt-hours per summer month and 7,200 kilowatt-hours annually will pay $4 less per summer month, or $32 less per year.

Under the gas supply filing made today, a residential gas heating customer who uses 165 therms in a winter month and 1,010 therms annually would pay about $5 – or 3.6 percent more in a winter month. This same customer would pay about $31 more per year.

"We work hard to keep our bills as stable as possible for customers," said Jorge Cardenas, vice president of asset management and centralized services. "By efficiently managing our gas supply contracts and purchases, we have kept our increase as small as possible."

Even with the modest increase, residential gas bills are still 50 percent lower than they were in 2008. Under the proposal, the rate residential customers pay will increase to 37 cents from 34 cents per therm.

"While the cost of natural gas is still historically low when compared to a decade ago, costs for the 2017-2018 period have increased," Cardenas said. "Overall gas prices are higher due to decreased production levels, as compared to last year. The costs for gas from the Marcellus shale region also are higher due to an increase in demand as a result of several pipeline expansions that are now accessing the Marcellus region as a supply source."

Cardenas added, "During the past nine years, PSE&G has provided significant savings to our customers as the cost of natural gas has steadily dropped. As a result, even with the proposed modest increase, the typical customer will pay about $824 less per year than they did in 2008 – in addition to monthly bill credits that have been implemented in the last few years."

PSE&G makes no profit on the sale of natural gas, passing along what it pays to its customers. If the price of natural gas increases, the BPU allows the state's natural gas utilities, including PSE&G, to recover those costs. Conversely, reductions in the gas supply price may be implemented at any time if market conditions warrant.

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.

Forward-Looking Statements

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" 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

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