



PSE&G Files First Rate Review in 8 Years; Requests Approximate 1 Percent Increase

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Reflects strong cost control and reduction in federal taxes passed through to customers

Filing includes proposal to support investments in energy efficiency

to reduce bills and emissions

(Newark, NJ - Jan. 12, 2018) Public Service Electric and Gas Co. (PSE&G) today filed its first regulatory rate review in more than eight years, asking for a small adjustment in electric and gas base delivery rates that would increase overall revenues by approximately 1 percent.

The increase is necessary to recover investments PSE&G made to strengthen its electric and gas distribution systems, making them more reliable and resilient. PSE&G is required to file the rate review as a condition of the approval by the New Jersey Board of Public Utilities of the company's Energy Strong program in 2014.

If approved as filed, the typical combined residential electric and natural gas customer will see an approximate 1 percent increase or about \$19.70 in their annual bill. Even with this proposed increase, bills for the typical residential customer are expected to be more than 15 percent lower than they were in 2010.

"Our customer bills are already among the lowest in the state - and that won't change," said David Daly, PSE&G president and COO.

"As a result of strong cost control, our residential customer bills are lower today than they were eight years ago," Daly said. "Together with passing along savings from recent tax law changes, we've been able to minimize the impact on our customers."

Revenues from base rates are used to maintain and improve the electric and gas delivery infrastructure, such as pipes and wires, and provide customer services. Customer bills also contain separate charges for the electric and gas supply that is obtained by PSE&G on behalf of its customers.

"Since our last regulatory rate review in 2010, PSE&G has made significant capital investments to upgrade, modernize, and strengthen our electric and gas systems to make them more reliable and resilient," Daly said. "Our current electric and gas delivery rates do not reflect all the investments we have made to maintain the safe, highly reliable service our customers have come to expect. This rate review also addresses previously incurred storm costs that had been deferred until this time."

Proposal includes Green Enabling Mechanism

The rate filing also seeks BPU approval of a rate design change, called the Green Enabling Mechanism (GEM), a proposal to decouple revenues from sales volumes and thereby encourage energy efficiency. If approved, the GEM will remove the incentive to sell more energy and will instead encourage utility investments in energy efficiency, renewables and other clean energy technologies that will ultimately benefit all customers by bringing down bills and reducing emissions.

PSE&G anticipates that new base rates as well as the GEM will take effect October 1, 2018.

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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