

PSE&G Unveils Next Phase of “Energy Strong” Investments

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Proposal will reduce outages, restore service faster and create jobs

Customer bills expected to remain stable – and lower than 2010

(NEWARK, NJ – June 8, 2018) Building on the success of its Energy Strong program, Public Service Electric and Gas (PSE&G) today proposed to invest an additional \$2.5 billion during the next five years to further strengthen the utility’s electric and gas systems to withstand storms, improve reliability and significantly enhance resiliency.

If approved by the New Jersey Board of Public Utilities (BPU), the proposed program will enable PSE&G to continue its momentum to modernize its infrastructure by launching the second phase of Energy Strong that will:

raise critical electric and gas equipment in flood prone areas

- modernize aging electric and gas stations
- install stronger poles and wires to reduce wind and tree damage
- deploy advanced technology to quicken restoration
- build additional pipes to distribute natural gas to enhance reliability
- improve PSE&G’s already strong customer service.

“We have a proven track record of making infrastructure improvements on time and on budget,” said Dave Daly, PSE&G president and COO. “But there is much more work to be done to harden our electric and gas systems against severe weather and enhance reliability.

“Our electric infrastructure has served us well, yet it is aging and needs replacement. The next phase of Energy Strong will mean less frequent outages, faster restoration for customers who experience outages, better estimates of restoration times, improved customer service and improved worker safety. And, building greater redundancy in our gas system will help ensure that we can deliver warmth in winter despite supply curtailments that can impact our system.”

The continuation of Energy Strong will make New Jersey’s energy networks smarter, more reliable and resilient while also creating an estimated 3,150 jobs annually. About \$1.5 billion of the \$2.5 billion proposal is for electric improvements with \$1 billion for gas. This work is expected to start in March 2019, pending BPU approval.

Modest Impact on Customer Bills

Pointing to lower gas bills and stable electric bills, PSE&G said making these added investments now will have a modest impact on residential customer bills. The total cumulative cost for a typical residential electric customer who uses 750 kilowatt-hours per summer month and 7,200 kilowatt-hours annually will be an average of about \$4 more per month. A residential gas heating customer who uses 165 therms in a winter month and 1,010 therms annually would pay an average of about \$5 more per month. The total impact for a combined electric and gas residential customer would be about 1 percent per year over the 5-year period.

“We are making sure that our customers remain satisfied both with the quality and cost of the service we provide,” Daly said. “The typical residential combined customer bill is down about 20 percent from 2010. We can make these added investments and still keep energy bills affordable.” PSE&G gas bills are the second lowest in the region and electric bills are lower than average, allowing our customers to get better service at a lower cost than most of the region.

Key provisions of PSE&G’s Energy Strong II proposal include:*Electric*

- \$428 million to raise and harden 14 stations and eliminate two stations in flood zones
- \$478 million to rebuild 15 outdoor stations, many built before 1956 and in need of replacement

- \$345 million to upgrade 475 miles of circuits, reducing power outages by making them more resistant to tree and limb damage
- \$145 million to upgrade to smart grid technologies to reduce the number of people impacted by an outage (rerouting electricity quickly around problems), enable swifter deployment of repair teams and reduce outage durations
- \$107 million to create an advanced distribution management system -- deploying advanced technology to upgrade and secure vital communications networks.

Gas

- \$863 million to add redundancy to the gas distribution system to ensure more reliable service in the event gas deliveries into New Jersey are curtailed by a supplier
- \$136 million to modernize seven natural gas metering stations, including two located in flood zones.

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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.



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