Public Service Enterprise Group

PSEG Earnings Conference Call

3rd Quarter 2019

October 31, 2019

Forward-Looking Statements

Certain of the matters discussed in this presentation 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 constitute "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. When used herein, the words "anticipate," "intend," "estimate," "believe," "expect," "plan," "should," "hypothetical," "potential," "forecast," "project," variations of such words and similar expressions are intended to identify forward-looking statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Other factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed in filings we make with the United States Securities and Exchange Commission (SEC), including our 2018 Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K. These factors include, but are not limited to:

- fluctuations in wholesale power and natural gas markets, including the potential impacts on the economic viability of our generation units;
- our ability to obtain adequate fuel supply;
- any inability to manage our energy obligations with available supply;
- PSE&G's proposed investment programs may not be fully approved by regulators and its capital investment may be lower than planned;
- increases in competition in wholesale energy and capacity markets;
- changes in technology related to energy generation, distribution and consumption and customer usage patterns;
- economic downturns;
- third-party credit risk relating to our sale of generation output and purchase of fuel;
- adverse performance of our decommissioning and defined benefit plan trust fund investments and changes in funding requirements;
- changes in state and federal legislation and regulations, and PSE&G's ability to recover costs and earn returns on authorized investments;
- the impact of any future rate proceedings;
- risks associated with our ownership and operation of nuclear facilities, including regulatory risks, such as compliance with the Atomic Energy Act and trade control, environmental and other regulations, as well as financial, environmental and health and safety risks;
- the impact on our New Jersey nuclear plants if such plants are not selected to participate in future Zero Emission Certificate (ZEC) programs, ZEC programs are overturned or modified through legal proceedings or if adverse changes are made to the capacity market construct;
- adverse changes in energy industry laws, policies and regulations, including market structures and transmission planning;
- changes in federal and state environmental regulations and enforcement;
- delays in receipt of, or an inability to receive, necessary licenses and permits;
- adverse outcomes of any legal, regulatory or other proceeding, settlement, investigation or claim applicable to us and/or the energy industry;
- changes in tax laws and regulations;
- the impact of our holding company structure on our ability to meet our corporate funding needs, service debt and pay dividends;
- lack of growth or slower growth in the number of customers or changes in customer demand;
- any inability of PSEG Power to meet its commitments under forward sale obligations;
- reliance on transmission facilities that we do not own or control and the impact on our ability to maintain adequate transmission capacity;
- any inability to successfully develop, obtain regulatory approval for, or construct generation, transmission and distribution projects;
- any equipment failures, accidents, severe weather events or other incidents that impact our ability to provide safe and reliable service to our customers;
- our inability to exercise control over the operations of generation facilities in which we do not maintain a controlling interest;
- any inability to recover the carrying amount of our long-lived assets and leveraged leases;
- any inability to maintain sufficient liquidity;
- any inability to realize anticipated tax benefits or retain tax credits;
- challenges associated with recruitment and/or retention of key executives and a qualified workforce;
- the impact of our covenants in our debt instruments on our operations; and
- the impact of acts of terrorism, cybersecurity attacks or intrusions.

All of the forward-looking statements made in this presentation 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 presentation apply only as of the date of this presentation. 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.

The forward-looking statements contained in this presentation are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

GAAP Disclaimer

PSEG presents Operating Earnings and Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) in addition to its Net Income reported in accordance with accounting principles generally accepted in the United States (GAAP). Operating Earnings and Adjusted EBITDA are non-GAAP financial measures that differ from Net Income. Non-GAAP Operating Earnings exclude the impact of returns (losses) associated with the Nuclear Decommissioning Trust (NDT), Mark-to-Market (MTM) accounting and material one-time items. Non-GAAP Adjusted EBITDA excludes the same items as our non-GAAP Operating Earnings measure as well as income tax expense, interest expense and depreciation and amortization. The last two slides in this presentation (Slides A and B) include a list of items excluded from Net Income/(Loss) to reconcile to non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA with a reference to those slides included on each of the slides where the non-GAAP information appears.

Management uses non-GAAP Operating Earnings in its internal analysis, and in communications with investors and analysts, as a consistent measure for comparing PSEG's financial performance to previous financial results. Management believes non-GAAP Adjusted EBITDA is useful to investors and other users of our financial statements in evaluating operating performance because it provides them with an additional tool to compare business performance across companies and across periods. Management also believes that non-GAAP Adjusted EBITDA is widely used by investors to measure operating performance without regard to items such as income tax expense, interest expense and depreciation and amortization, which can vary substantially from company to company depending upon, among other things, the book value of assets, capital structure and whether assets were constructed or acquired. Non-GAAP Adjusted EBITDA also allows investors and other users to assess the underlying financial performance of our fleet before management's decision to deploy capital. The presentation of non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA is intended to complement, and should not be considered an alternative to, the presentation of Net Income/(Loss), which is an indicator of financial performance determined in accordance with GAAP. In addition, non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA as presented in this release may not be comparable to similarly titled measures used by other companies.

Due to the forward looking nature of non-GAAP Operating Earnings and non-GAAP Adjusted EBITDA guidance, PSEG is unable to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measure. Management is unable to project certain reconciling items, in particular MTM and NDT gains (losses), for future periods due to market volatility.

These materials and other financial releases can be found on the PSEG website at https://investor.pseg.com. From time to time, PSEG, PSE&G and PSEG Power release important information via postings on their corporate website at https://investor.pseg.com. 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 may be used to enroll to receive automatic email alerts and/or Really Simple Syndication (RSS) feeds regarding new postings at https://investor.pseg.com/rss.

PSEG
2019 Q3 Review

Ralph Izzo

Chairman, President and Chief Executive Officer

PSEG Q3 2019

- **Third Quarter Highlights**
  - ✓ Net Income per share of $0.79 in Q3 2019 vs. $0.81 in Q3 2018
  - ✓ Non-GAAP Operating Earnings* per share of $0.98 in Q3 2019 vs. $0.95 in Q3 2018
  - ✓ PSE&G results benefited from increased investment in utility infrastructure and rate relief
  - ✓ PSEG Power results impacted by lower capacity revenues partly offset by Zero Emission Certificate (ZEC) revenues
- **Operational Excellence**
  - ✓ Nuclear achieved a capacity factor of 91% for Q3 and YTD 2019
- **Disciplined Capital Investment**
  - ✓ PSEG on track to invest ~$3.1 billion in 2019: $2.7 billion at PSE&G
  - ✓ Clean Energy Future – Energy Efficiency (CEF-EE) procedural schedule extended
  - ✓ Completed sale of PSEG Power's ownership interest in Keystone and Conemaugh, creating path to complete exit of coal units from Power's fleet
  - ✓ PSEG exercised an option to potentially acquire a 25% equity interest in Ørsted's 1,100 MW Ocean Wind project, subject to advanced due diligence and negotiations toward a joint venture agreement

*See Slides A and B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP).

PSEG Q3 Results Summary

Quarter ended September 30

$ millions (except EPS)	2019	2018
Net Income	$ 403	$ 412
Reconciling Items	92	69
Operating Earnings (non-GAAP)*	$ 495	$ 481
EPS from Net Income	$ 0.79	$ 0.81
EPS from Operating Earnings (non-GAAP)*	$ 0.98	$ 0.95

*See Slide A for Items excluded from Net Income to reconcile to Operating Earnings (non-GAAP).

PSEG Year-to-Date Results Summary

Nine Months ended September 30

$ millions (except EPS)	2019	2018
Net Income	$ 1,256	$ 1,239
Reconciling Items	80	59
Operating Earnings (non-GAAP)*	$ 1,336	$ 1,298
EPS from Net Income	$ 2.47	$ 2.44
EPS from Operating Earnings (non-GAAP)*	$ 2.64	$ 2.56

*See Slide A for Items excluded from Net Income to reconcile to Operating Earnings (non-GAAP).

PSEG - Regulatory and Policy Initiative Update

ES II Settlement

- PSE&G Energy Strong II (ES II) settlement approved by NJ Board of Public Utilities (NJBPU); Investment to begin Q4 2019 and extends through 2023

PSEG's Priorities Aligned with New Jersey's Clean Energy Agenda

- NJBPU approved the extension of the CEF-EE procedural schedule to March 2020
- NJBPU expects to finalize the Energy Master Plan by year-end
- PSEG exercised an option to potentially acquire a 25% equity interest in Ørsted's 1,100 MW Ocean Wind project, subject to advanced due diligence and negotiations toward a JV agreement

PSEG Powering Progress

- In line with PSEG Power's goal to reduce CO_2 emissions 80% by 2046 from 2005 levels, Keystone and Conemaugh sale creates path to complete exit of coal units from fleet by mid-2021
- PSEG named to Dow Jones Sustainability Index – North America for the 12th consecutive year

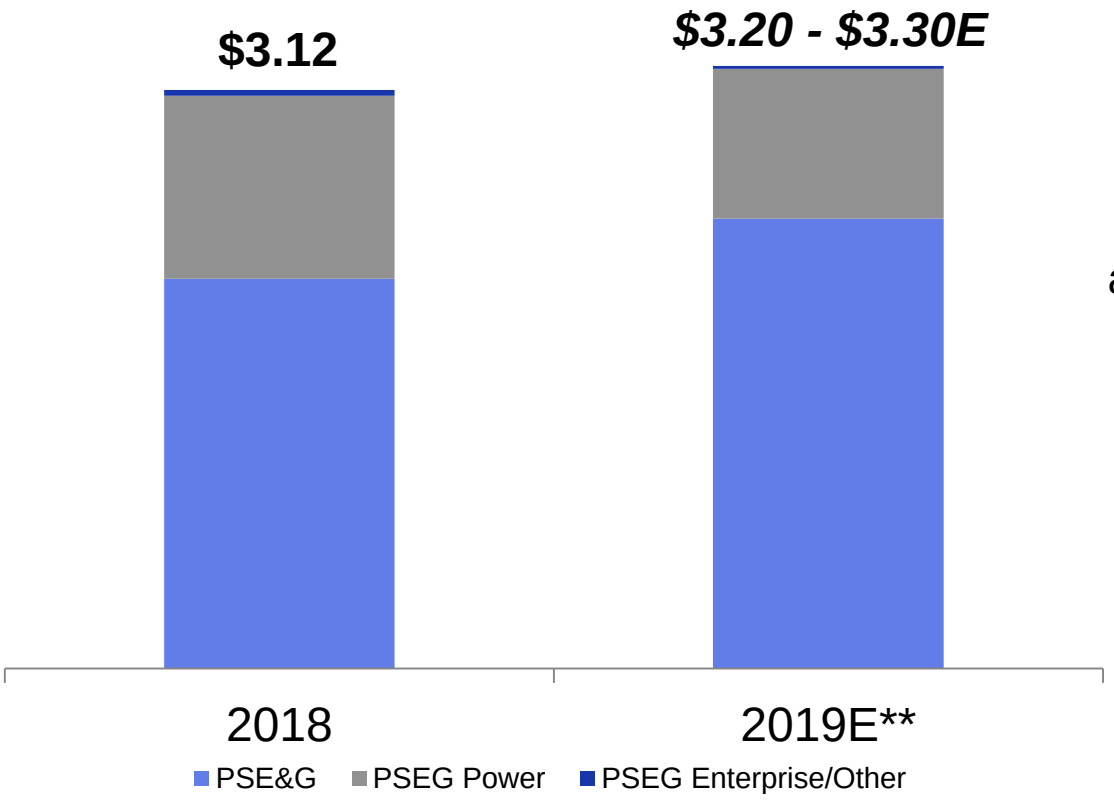
FERC/PJM Wholesale Market Reforms Pending

- PJM's capacity market reforms to accommodate state supported resources and to address price suppression awaiting FERC quorum

PSEG Updating 2019 Full-Year Guidance and Adjusting Subsidiary Contribution Ranges

Subsidiary contributions adjusted to reflect an increased contribution from PSE&G, balancing lower expected results at PSEG Power

Non-GAAP Operating Earnings* Contribution by Subsidiary
2018 Actual and 2019E Guidance



PSE&G represents approximately 75% of 2019 Operating Earnings Guidance

*See Slides A and B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP).
**Based on the mid-point of 2019 non-GAAP Operating Earnings guidance of $3.20 - $3.30 per share. E = Estimate.

PSEG
2019 Q3 Operating Company Review

Dan Cregg
EVP and Chief Financial Officer

PSEG – Q3 Results by Subsidiary

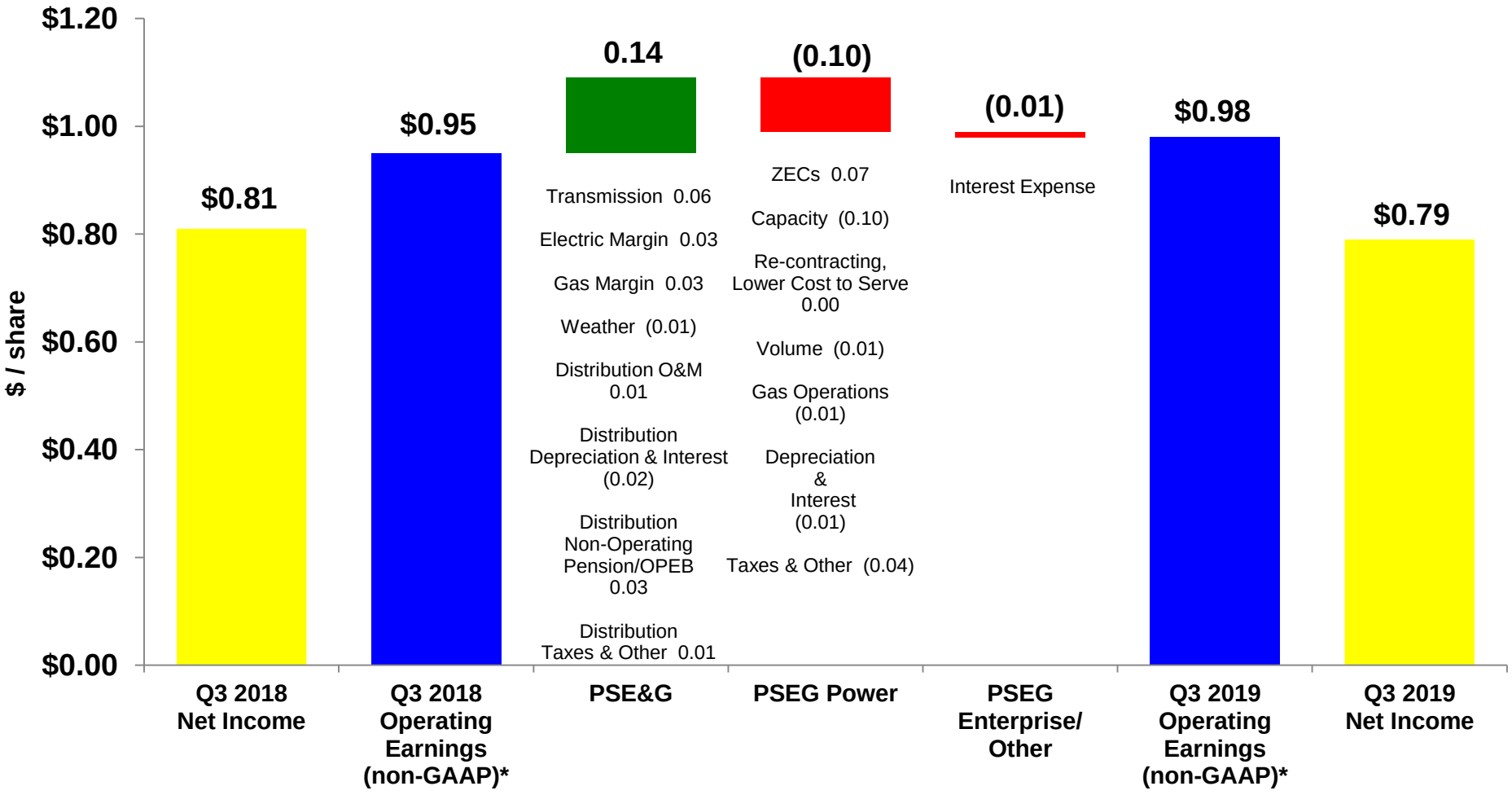
PSEG Q3 EPS Summary – Quarter ended September 30

Net Income	2019	2018	Change
PSE&G	$ 0.68	$ 0.54	$ 0.14
PSEG Power	$ 0.10	$ 0.25	$ (0.15)
PSEG Enterprise/Other	$ 0.01	$ 0.02	$ (0.01)
Total PSEG	$ 0.79	$ 0.81	$ (0.02)

Non-GAAP Operating Earnings*	2019	2018	Change
PSE&G	$ 0.68	$ 0.54	$ 0.14
PSEG Power	$ 0.29	$ 0.39	$ (0.10)
PSEG Enterprise/Other	$ 0.01	$ 0.02	$ (0.01)
Total PSEG*	$ 0.98	$ 0.95	$ 0.03

*See Slides A and B for Items excluded from Net Income to reconcile to Operating Earnings (non-GAAP) for PSEG, PSEG Power and PSEG Enterprise/Other.

PSEG EPS Reconciliation – Q3 2019 versus Q3 2018



*See Slide A for Items excluded from Net Income to reconcile to Operating Earnings (non-GAAP).

PSEG – Year-to-Date Results by Subsidiary

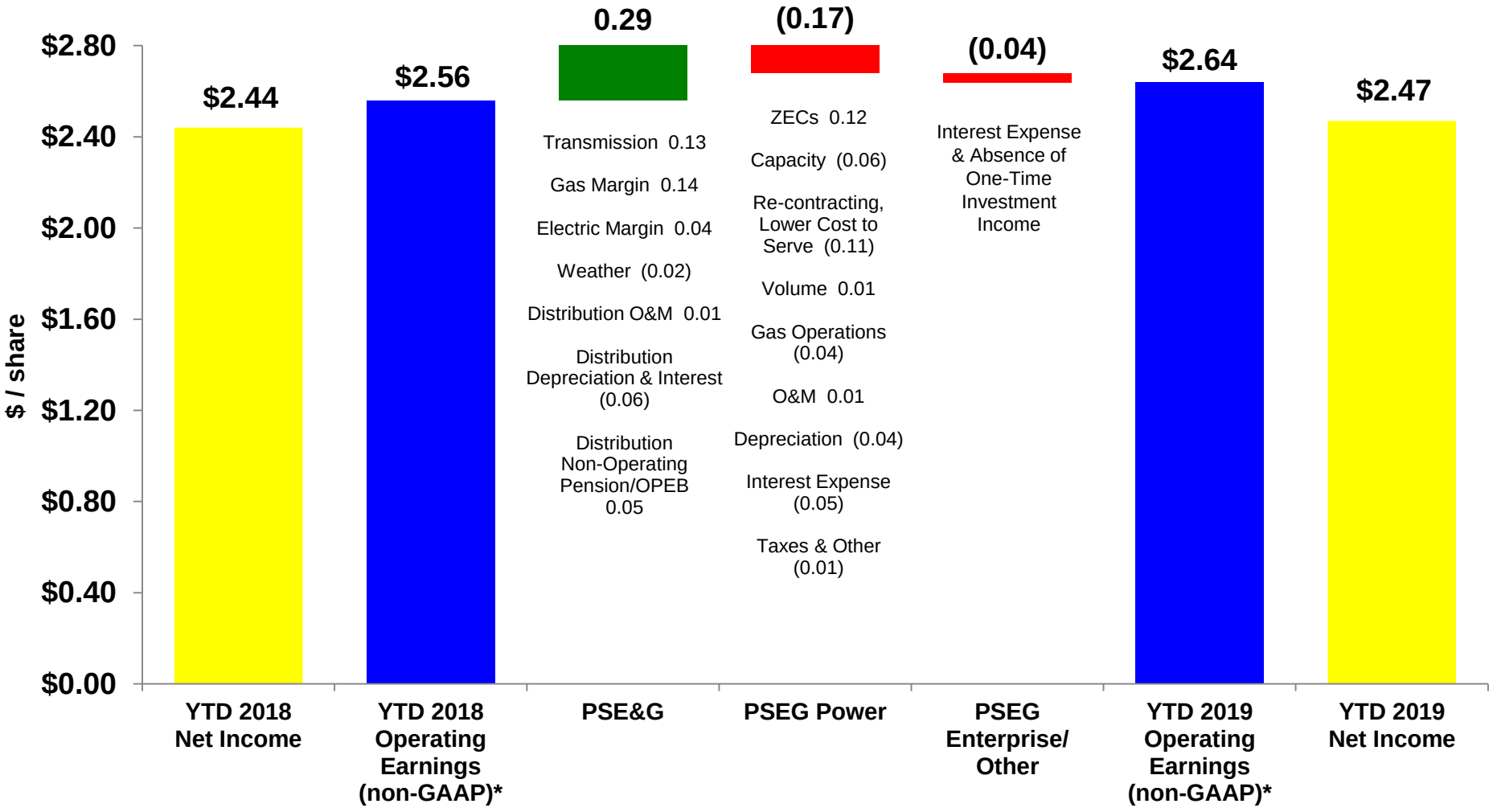
PSEG YTD EPS Summary – Nine Months ended September 30

Net Income/(Loss)	2019	2018	Change
PSE&G	$ 1.92	$ 1.63	$ 0.29
PSEG Power	$ 0.61	$ 0.79	$ (0.18)
PSEG Enterprise/Other	$ (0.06)	$ 0.02	$ (0.08)
Total PSEG	$ 2.47	$ 2.44	$ 0.03

Non-GAAP Operating Earnings*	2019	2018	Change
PSE&G	$ 1.92	$ 1.63	$ 0.29
PSEG Power	$ 0.71	$ 0.88	$ (0.17)
PSEG Enterprise/Other	$ 0.01	$ 0.05	$ (0.04)
Total PSEG*	$ 2.64	$ 2.56	$ 0.08

*See Slides A and B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP) for PSEG, PSEG Power and PSEG Enterprise/Other.

PSEG EPS Reconciliation – YTD 2019 versus YTD 2018

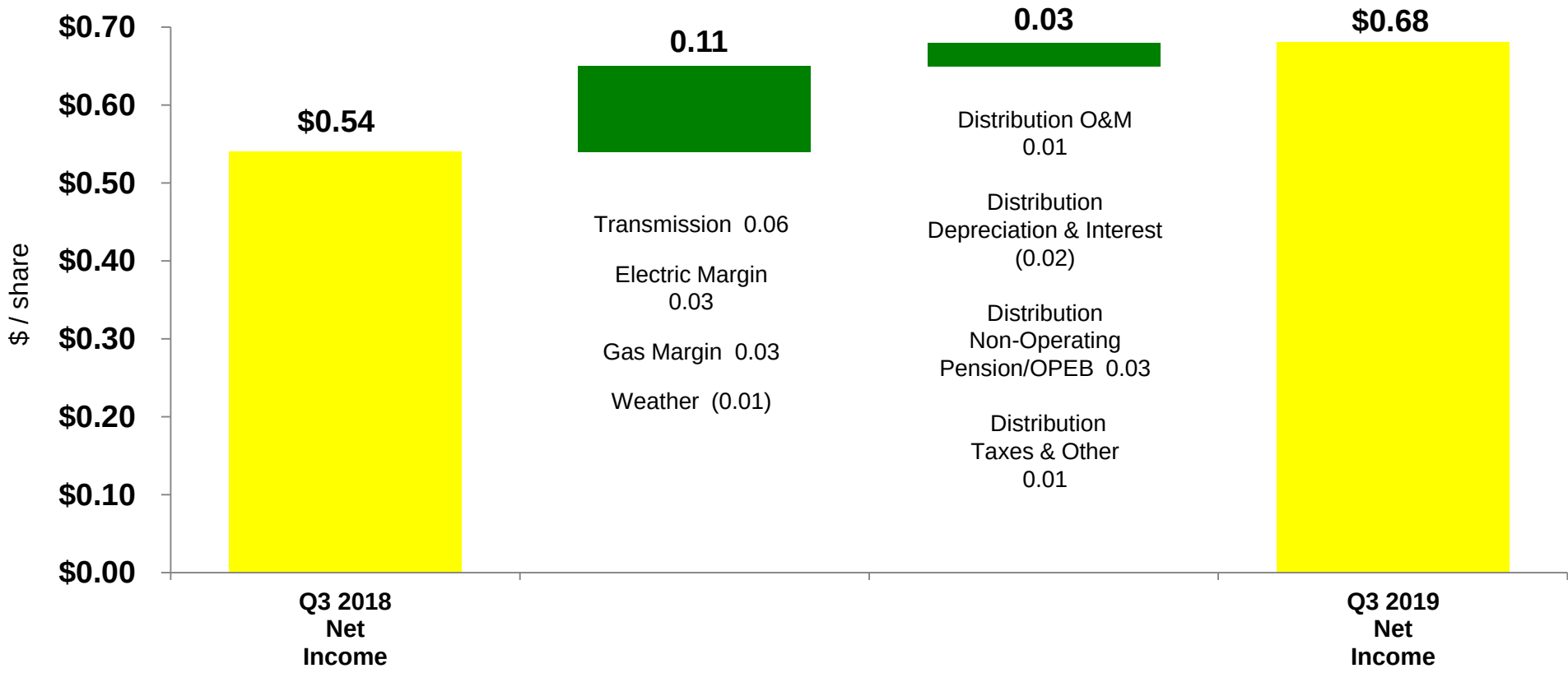


*See Slide A for Items excluded from Net Income to reconcile to Operating Earnings (non-GAAP).

Note: Prior quarter results may not add due to rounding.

PSE&G
2019 Q3 Review

PSE&G EPS Reconciliation – Q3 2019 versus Q3 2018

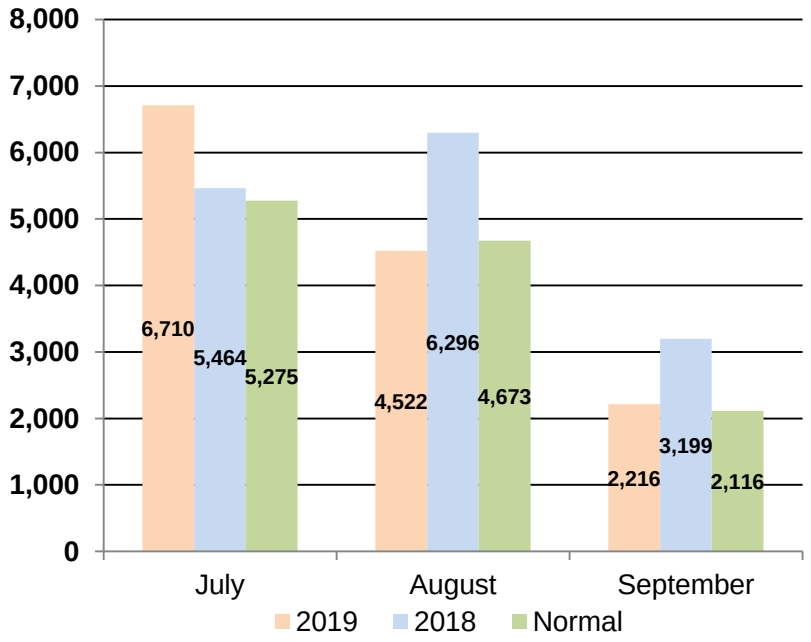


PSE&G – Q3 Weather Summary

PSE&G Monthly Weather Summary

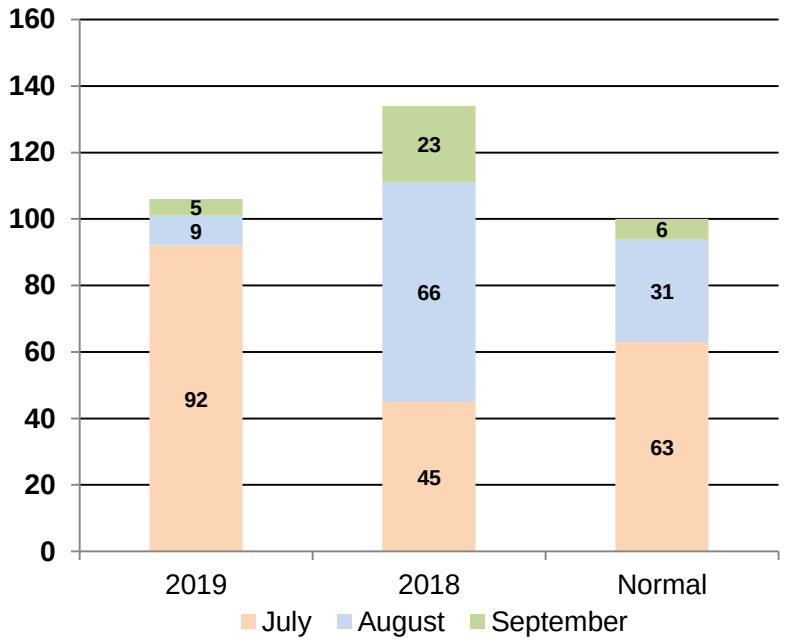
Q3 2019 vs. Q3 2018 vs. Q3 Normal

Monthly Temperature Humidity Index (THI)



Q3 2019 temperature-humidity index was ~10% lower than Q3 2018 and ~12% higher than normal

Total Hours at 90°F or Higher



Q3 2019 total hours at or above 90°F were ~21% lower than Q3 2018 and ~6% higher than normal

PSE&G – Q3 Highlights

Operations

- ✓ For the trailing 12-months ended September 30, weather-normalized electric sales were flat and weather-normalized gas sales were 1% higher
- ✓ Residential electric and gas customer growth continues trending higher at ~1% per year

Regulatory and Market Environment

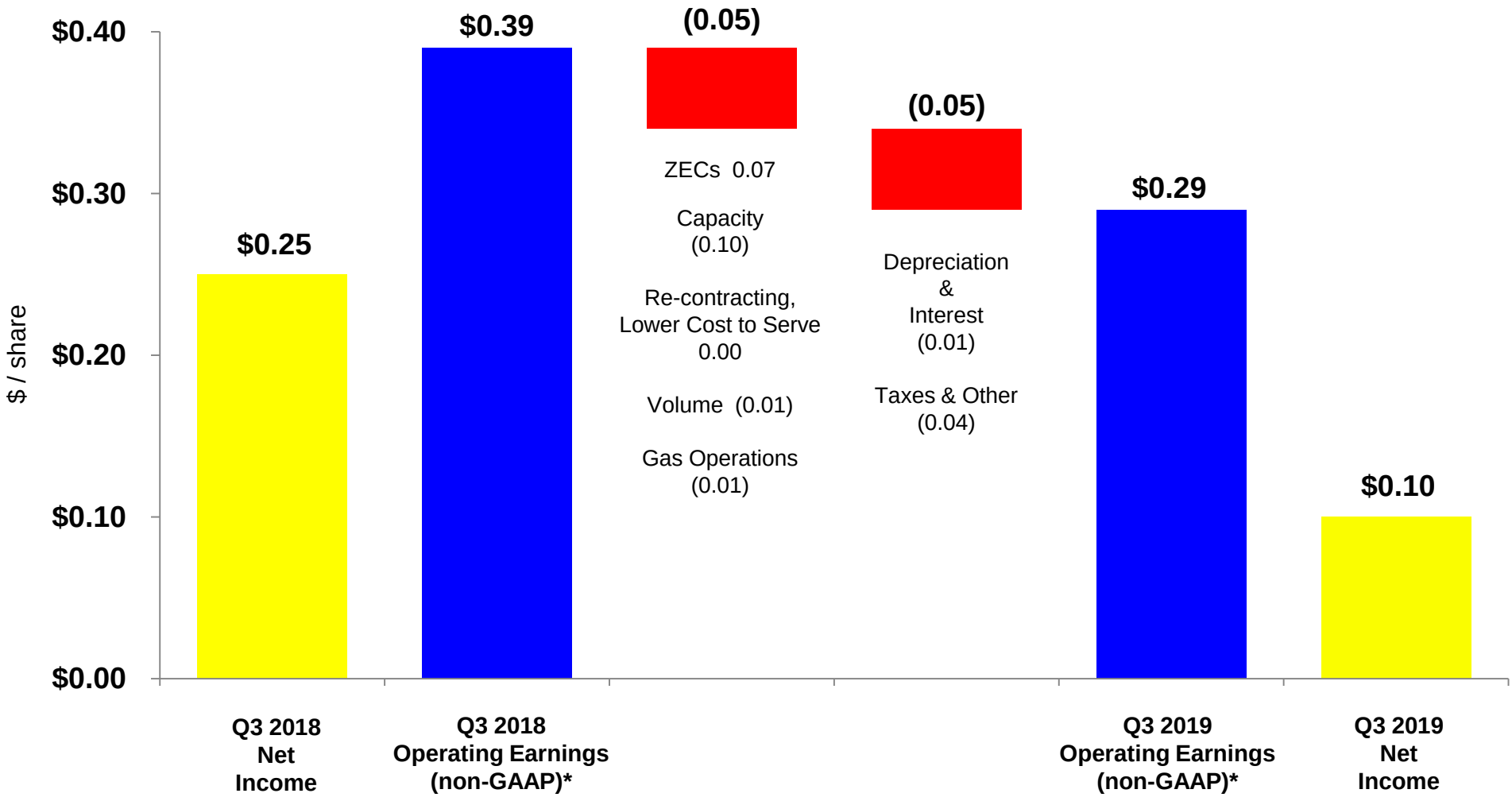
- ✓ Filed for 2020 FERC Formula Rate to be effective January 1, 2020; customer bill increase ~2% reflecting investment in transmission, changes in cost allocation and completion of certain tax flow backs to customers in 2019
- ✓ PSE&G residential gas customers will have lower rates totaling ~$13 million during Winter 2019-2020; residential gas bills are ~50% lower than in 2008
- ✓ NJBPU approved extension of the CEF-EE procedural schedule to March 2020
- ✓ NJBPU approved ES II settlement; work to begin in Q4 2019

Financial

- ✓ PSE&G invested ~$2 billion in first nine months, on track to invest $2.7 billion for full-year 2019
- ✓ PSE&G's Q3 2019 earnings increased by $0.14 per share, or 26%, versus Q3 2018
- ✓ In August, PSE&G issued $400 million of 30-year Medium-Term Notes (MTNs) at 3.20% and retired $250 million of 2.00% MTNs
- ✓ PSE&G 2019 earnings guidance updated to $1,225-$1,250 million from $1,200-$1,230 million

PSEG Power
2019 Q3 Review

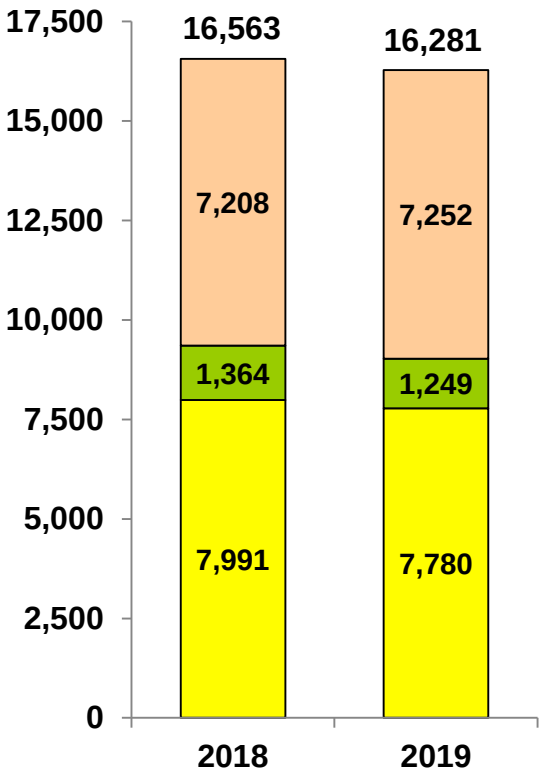
PSEG Power EPS Reconciliation – Q3 2019 versus Q3 2018



*See Slide B for Items excluded from Net Income to reconcile to Operating Earnings (non-GAAP).

PSEG Power – Q3 Generation Measures

PSEG Power – Generation (GWh)*



PSEG Power – Capacity Factors (%)*

	Quarter ended September 30	
	2018	2019
Combined Cycle**	68.2%	63.4%
Coal		
PA	78.6%	73.5%
CT	3.1%	0.0%
Nuclear	92.7%	90.8%

PSEG Power – Fuel Costs*

	Quarter ended September 30	
($ millions)	2018	2019
Gas***	$ 142	$ 146
Coal	30	24
Total Fossil	172	170
Nuclear	48	47
Total Fuel Cost	$ 220	$ 217
Total Generation (GWh)*	16,563	16,281
$ / MWh	13.28	13.33

Total Nuclear Total Coal Natural Gas & Oil

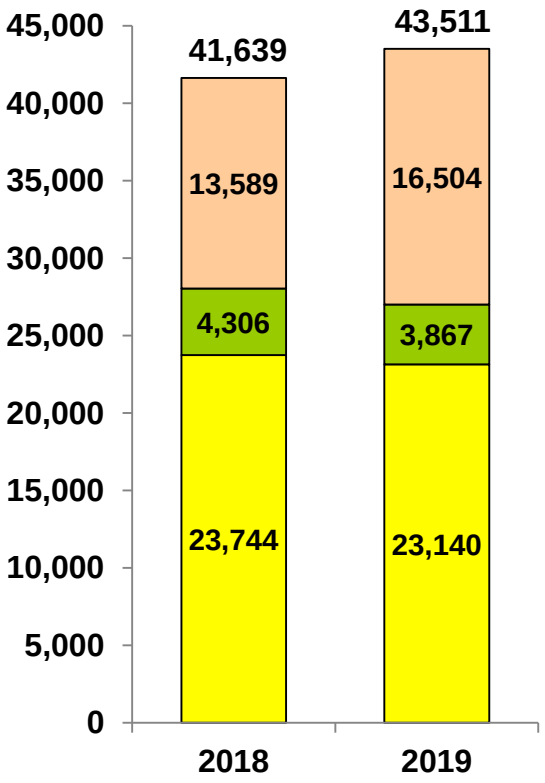
*Excludes Solar, Kalaeloa and pumped storage.

**Excludes peaking and steam generation.

***Includes Oil Fuel Costs of $1 million in 2018.

PSEG Power – YTD Generation Measures

PSEG Power – Generation (GWh)*



PSEG Power – Capacity Factors (%)*

	Nine Months ended September 30	
	2018	2019
Combined Cycle**	52.5%	51.3%
Coal		
PA	80.2%	75.4%
CT	10.1%	2.3%
Nuclear	92.9%	91.0%

PSEG Power – Fuel Costs*

	Nine Months ended September 30	
($ millions)	2018	2019
Gas***	$ 324	$ 396
Coal	107	78
Total Fossil	431	474
Nuclear	143	137
Total Fuel Cost	$ 574	$ 611
Total Generation (GWh)*	41,639	43,511
$ / MWh	13.79	14.04

Total Nuclear Total Coal Natural Gas & Oil

*Excludes Solar, Kalaeloa and pumped storage.

**Excludes peaking and steam generation.

***Includes Oil Fuel Costs of $27 million and $4 million in 2018 and 2019, respectively.

PSEG Power – Gross Margin Performance

- ✓ ZEC revenues earned for full quarter
- ✓ PJM capacity prices decrease to $116 MW/day (from $205 MW/day) through May 2020
- ✓ ISO-NE capacity prices decrease to $231 MW/day (from $314 MW/day) through May 2020; Bridgeport Harbor 5 capacity price locked in for seven years at $231 MW/day
- ✓ Lower cost to serve offset re-contracting at lower market prices
- ✓ Lower realized spark spreads

PSEG Power Gross Margin ($/MWh)

Quarter ended September 30



Regional Performance		
Region	**Q3 Gross Margin ($M)**	**Q3 2019 Performance**
PJM	$449	Lower capacity revenues, re-contracting at lower market prices and lower spark spreads partially offset by ZEC revenues and lower cost to serve
New England	$43	Higher volume from new CCGT generation partially offset by lower market prices
New York	$17	Lower prices and demand

Hedging Update

Contracted Energy*

		Oct - Dec 2019	2020	2021
Nuclear	Volume TWh	7	31	31
	% Hedged	100%	100%	70-75%
	Price $/MWh	$37	$37	$35
Combined Cycle	Volume TWh	6-7	21-23	21-23
	% Hedged	100%	70-75%	0%
	Price $/MWh	$37	$37	$ -
Total	Volume TWh	13-14	52-54	52-54
	% Hedged	100%	85-90%	40-45%
	Price $/MWh	$37	$37	$35

*Hedge percentages and prices as of September 30, 2019 and reflect revenues of full requirement load deals based on contract price including renewable energy credits, ancillary and transmission components but excluding capacity. Hedges include positions with MTM accounting treatment and options.

PSEG Power – Q3 Highlights

Operations

- ✓ Q3 total output down 2% primarily on lower market demand vs Q3 2018
- ✓ Nuclear fleet achieved a capacity factor of 91% in Q3 and for YTD 2019
- ✓ CCGT fleet achieved 63% capacity factor in Q3; new units operated at capacity factors > 75%
- ✓ Nuclear fleet produced 7.8 TWh, down ~3% due to Hope Creek coast down to fall refueling outage; CCGT fleet produced 7.2 TWh of output; and coal fleet produced 1.2 TWh

Regulatory and Market Environment

- ✓ Completed the sale of interests in Keystone and Conemaugh coal-fired generating units
- ✓ PJM capacity market reforms remain pending at FERC, awaiting quorum
- ✓ 2019 expected generation output remains 57 - 59 TWh

Financial

- ✓ PSEG Power's total debt as a percentage of capitalization was 33% at September 30
- ✓ PSEG Power's 2019 guidance range for non-GAAP Operating Earnings is updated to $395-$420 million from $395-$460 million; non-GAAP Adjusted EBITDA guidance has been lowered to $1,000-$1,050 million from $1,030-$1,130 million

PSEG

PSEG Financial Highlights

- Updating and narrowing 2019 non-GAAP Operating Earnings guidance to $3.20 - $3.30 per share, from $3.15 - $3.35 per share prior; adjusting subsidiary contribution ranges
- Business mix for 2019 guidance reflects approximately 75% of Operating Earnings contribution from regulated operations at PSE&G
- PSEG's 5-year capital spending forecast of $13 - $15.5 billion, with over 90% directed at PSE&G, is expected to produce ~7.5% - 8.5% compound annual growth in rate base over 2019-2023 period
- PSEG Power's free cash flow increases with conclusion of CCGT construction program
- Hope Creek and Salem 1 and Salem 2 awarded ZECs by NJBPU in April
- Financial position remains strong:
  - ✓ Increased 2019 indicative annual common dividend by $0.08 to $1.88 per share
  - ✓ PSEG continues to be a net beneficiary from tax reform
  - ✓ Cash from PSEG Power and increasing cash from operations at PSE&G support dividend growth and fund existing capital spending program without the need to issue equity
  - ✓ Debt as a percentage of capitalization was 52% at September 30

Updating PSEG 2019 Guidance - By Subsidiary

Segment Operating Earnings Guidance and Prior Year Results (non-GAAP, except as noted)*

$ millions (except EPS)	2019E	2018
PSE&G (Net Income)	$1,225 - $1,250	$1,067
PSEG Power	$395 - $420	$502
PSEG Enterprise/Other	$5	$13
Operating Earnings (non-GAAP)*	$1,625 - $1,675	$1,582
Operating EPS (non-GAAP)*	**$3.20 - $3.30**	**$3.12**

PSEG Power Adjusted EBITDA (non-GAAP)*

$ millions	2019E	2018
PSEG Power	$1,000 - $1,050	$1,059

Note: PSEG Power guidance includes a partial year of ZECs
*See Slide A for Items excluded from Net Income to reconcile to Operating Earnings (non-GAAP) and Slide B for Items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP) and Adjusted EBITDA (non-GAAP). E = Estimate.

PSEG Liquidity as of September 30, 2019

Company	Facility	Expiration Date	Total Facility	Usage	Available Liquidity
				($ Millions)	
PSE&G	5-year Credit Facility	Mar-23	$600 (A)	$26	$574
PSEG Money Pool					
PSEG / PSEG Power	5-year Credit Facilities (PSEG)	Mar-23	$1,500 (B)	$349	$1,151
	5-year Credit Facilities (PSEG Power)	Mar-23	$1,900 (C)	$40	$1,860
	3-year LC Facilities (PSEG Power)	Sep-21	$200	$136	$64
	Total Money Pool		$3,600	$525	$3,075
		Total	$4,200	$551	$3,649

(A) PSE&G facility will be reduced by $4 million in March 2022.

(B) PSEG facilities will be reduced by $9 million in March 2022.

(C) PSEG Power facilities will be reduced by $12 million in March 2022.

PSEG Money Pool ST Investment	$0
PSE&G ST Investment	$0
Total Liquidity Available	**$3,649**

Reconciliation of Non-GAAP Operating Earnings

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
Consolidated Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,
	2019	2018	2019	2018	2018
	($ millions, Unaudited)				
Net Income	**$ 403**	**$ 412**	**$ 1,256**	**$ 1,239**	**$ 1,438**
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax (PSEG Power)	4	(43)	(164)	(28)	144
(Gain) Loss on Mark-to-Market (MTM), pre-tax [(a)] (PSEG Power)	121	133	(195)	82	117
Plant Retirements and Dispositions, pre-tax (PSEG Power)	7	-	402	3	(51)
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	58	20	8
Income Taxes related to Operating Earnings (non-GAAP) reconciling items[(b)]	(40)	(21)	(21)	(18)	(74)
Operating Earnings (non-GAAP)	**$ 495**	**$ 481**	**$ 1,336**	**$ 1,298**	**$ 1,582**
PSEG Fully Diluted Average Shares Outstanding (in millions)	**507**	**507**	**507**	**507**	**507**
	($ Per Share Impact - Diluted, Unaudited)				
Net Income	**$ 0.79**	**$ 0.81**	**$ 2.47**	**$ 2.44**	**$ 2.83**
(Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power)	0.01	(0.08)	(0.32)	(0.05)	0.28
(Gain) Loss on MTM, pre-tax [(a)] (PSEG Power)	0.24	0.26	(0.38)	0.16	0.23
Plant Retirements and Dispositions, pre-tax (PSEG Power)	0.01	-	0.79	0.01	(0.10)
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	-	0.11	0.03	0.02
Income Taxes related to Operating Earnings (non-GAAP) reconciling items[(b)]	(0.07)	(0.04)	(0.03)	(0.03)	(0.14)
Operating Earnings (non-GAAP)	**$ 0.98**	**$ 0.95**	**$ 2.64**	**$ 2.56**	**$ 3.12**

(a) Includes the financial impact from positions with forward delivery months.
(b) Income tax effect calculated at the statutory rate except for lease related activity which is calculated at a combined leveraged lease effective tax rate and NDT related activity which is calculated at the statutory rate plus a 20% tax on income (losses) from qualified NDT funds.

Please see Slide 3 for an explanation of PSEG's use of Operating Earnings as a non-GAAP financial measure and how it differs from Net Income.

Reconciliation of Non-GAAP Operating Earnings and Non-GAAP Adjusted EBITDA

PSEG Power Operating Earnings (non-GAAP) and Adjusted EBITDA (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,
	2019	2018	2019	2018	2018
	($ millions, Unaudited)				
Net Income	**$ 53**	**$ 125**	**$ 309**	**$ 400**	**$ 365**
(Gain) Loss on NDT Fund Related Activity, pre-tax	4	(43)	(164)	(28)	144
(Gain) Loss on MTM, pre-tax [(a)]	121	133	(195)	82	117
Plant Retirements and Dispositions, pre-tax (PSEG Power)	7	-	402	3	(51)
Income Taxes related to Operating Earnings (non-GAAP) reconciling items[(b)]	(40)	(21)	5	(12)	(73)
Operating Earnings (non-GAAP)	**$ 145**	**$ 194**	**$ 357**	**$ 445**	**$ 502**
Depreciation and Amortization, pre-tax [(c)]	91	91	278	253	346
Interest Expense, pre-tax [(c) (d)]	32	29	80	46	72
Income Taxes [(c)]	54	46	122	139	139
Adjusted EBITDA (non-GAAP)	**$ 322**	**$ 360**	**$ 837**	**$ 883**	**$ 1,059**
PSEG Fully Diluted Average Shares Outstanding (in millions)	**507**	**507**	**507**	**507**	**507**

(a) Includes the financial impact from positions with forward delivery months.
(b) Income tax effect calculated at the statutory rate except for NDT related activity which is calculated at the statutory rate plus a 20% tax on income (losses) from qualified NDT funds.
(c) Excludes amounts related to Operating Earnings (non-GAAP) reconciling items.
(d) Net of capitalized interest.

PSEG Enterprise/Other
Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,
	2019	2018	2019	2018	2018
	($ millions, Unaudited)				
Net Income (Loss)	**$ 6**	**$ 9**	**$ (27)**	**$ 11**	**$ 6**
Lease Related Activity, pre-tax	-	-	58	20	8
Income Taxes related to Lease related activity[(a)]	-	-	(26)	(6)	(1)
Operating Earnings (non-GAAP)	**$ (2)**	**$ 9**	**$ 5**	**$ 25**	**$ 13**
PSEG Fully Diluted Average Shares Outstanding (in millions)	**507**	**507**	**507**	**507**	**507**

(a) Income tax effect calculated at a combined leveraged lease effective tax rate.

Please see Slide 3 for an explanation of PSEG's use of Operating Earnings and Adjusted EBITDA as non-GAAP financial measures and how they differ from Net Income/(Loss).