

Q1 2018 Performance Update

NYSE: PEG

"We have begun 2018 with solid results. PSEG reported Net Income of 2018 of \$558 million, or \$1.10 per share as compared to Net Income of \$114 million, or \$0.22 per share, in first quarter 2017. Non-GAAP Operating Earnings were \$492 million, or \$0.97 per share, compared to non-GAAP Operating Earnings for first quarter 2017 of \$466 million, or \$0.92 per share. Our service area experienced four consecutive Nor'easters in March that wreaked havoc on trees and power lines. PSEG employees, once again, rose to the challenge, efficiently and safely completing PSE&G and PSEG Long Island customer restorations and then assisted neighboring utilities with their restoration efforts. We are re-affirming our non-GAAP Operating Earnings guidance for 2018 of \$3.00 - \$3.20 per share.

PSE&G reached a settlement of its Gas System Modernization Program II (GSMP II) filing with the Staff of the New Jersey Board of Public Utilities (BPU), Rate Counsel and other parties, which remains subject to BPU approval. Modeled after the BPU's recently enacted Infrastructure Investment Program (IIP) initiative, the agreement will allow PSE&G to invest \$1.9 billion over five years beginning in 2019 to continue and accelerate replacement of cast iron and unprotected steel mains, in addition to other improvements to the gas system. The settlement is aligned with our investment goals and supports our forecast annual growth in PSE&G's rate base of 7%-9% through 2022.

Earlier in April, the New Jersey Legislature passed a Zero Emission Certificate bill that establishes a financial safety net for eligible nuclear plants. The Legislature also passed a Clean Energy bill requiring the state's utilities to expand the use of renewable energy and implement energy efficiency programs. These complementary legislative initiatives, awaiting the Governor's approval, support nuclear capacity and advance New Jersey's clean energy agenda. Last week, the Federal Energy Regulatory Commission (FERC) issued an order resolving PSEG Power's cost based bidding matter pending at FERC since 2014. Power has recorded an incremental \$5 million pretax charge to income in the first quarter that will conclude the issue. PSEG continues to focus on its strategic investment program of \$13 billion to \$15 billion over the 2018 to 2022 period, and its financial flexibility will enable it to fully fund its capital program over the 5-year period without the need for equity issuance."

Ralph Izzo, Chairman, President & CEO - April 30, 2018

PSEG – Q1 2018

First Quarter Highlights

- Net Income of \$1.10 vs. Net Income of \$0.22 per share in Q1 2017
- Non-GAAP Operating Earnings* of \$0.97 up 5.4% over \$0.92 per share in Q1 2017
- Operational and Regulatory focus achieving objectives for growth as risk is managed
- PSE&G Earnings per share up 6.8% aided by growth in investment
- PSEG Power non-GAAP results up 10% aided by tax reform

Operational Excellence

- Nuclear fleet performance remains strong as Hope Creek experiences record 517 day run
- PSE&G responded to four major storms within 30 days in Q1 2018
- Power's fleet diversity/availability responsive to January cold snap

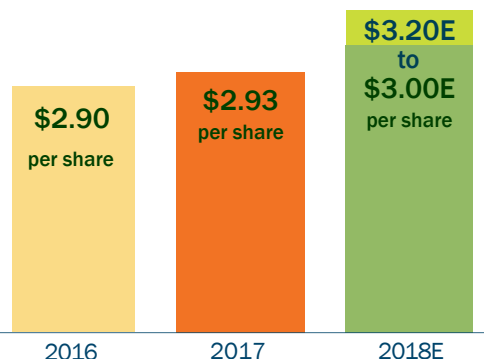
Disciplined Capital Investment Producing Results

- PSEG expected to invest ~\$3.4 billion in 2018, consisting primarily of \$2.7 billion at PSE&G and \$0.6 billion at PSEG Power
- Regulatory/Legislative Focus: Legislative support for Nuclear and Clean Energy initiatives awaiting Governor's signature; GSMP II Settlement, subject to BPU approval, consistent with rate base growth objectives
- Major capital Initiatives: Keys Energy Center & Sewaren 7 in-service by mid-2018; Bridgeport Harbor 5 in-service mid-2019

PSEG-Re-affirming 2018 Full-Year Guidance

Growth in utility infrastructure investments and tax reform expected to drive increase in earnings

Non-GAAP Operating Earnings* and 2018 Guidance



Q1 2018 Results by Subsidiary

	Financial Results		Earnings per Share (EPS)	
	2018	2017	2018	2017
\$ millions (except EPS)				
PSE&G (Net Income)	\$319	\$299	\$0.63	\$0.59
PSEG Power (Net Income/(Loss))	\$234	\$(170)	\$0.46	\$(0.34)
PSEG Power (non-GAAP Op. Earnings)*	\$168	\$150	\$0.33	\$0.30
Enterprise/Other (Net Income)	\$5	\$(15)	\$0.01	\$(0.03)
Enterprise/Other (non-GAAP Op. Earnings)*	\$5	\$17	\$0.01	\$0.03
PSEG (Net Income/(Loss))	\$558	\$114	\$1.10	\$0.22
PSEG (non-GAAP Operating Earnings)*	\$492	\$466	\$0.97	\$0.92

Key Performance Highlights

as of 3/31/2018	
Stock Price on 3/31/2018	\$50.24
Dividends Paid per Share (year-to-date)	\$0.45
Dividend Yield (%)	3.6%
Average Shares Outstanding, Diluted (in millions)	507
Book Value Per Common Share	\$28.00

* See Items excluded from Net Income/(Loss) to reconcile to non-GAAP Operating Earnings/(Loss) on page 2 or <https://www.pseg.com/info/investors/forward.jsp>

GAAP Disclaimer

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. 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 such as the revaluation of deferred tax liabilities and the impact of the retirement of the Hudson and Mercer coal stations on Power.

The presentation of non-GAAP Operating Earnings is intended to complement, and should not be considered an alternative to, the presentation of Net Income, which is an indicator of financial performance determined in accordance with GAAP. In addition, non-GAAP Operating Earnings 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 guidance, PSEG is unable to reconcile this non-GAAP financial measure 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. Guidance included herein is as of 4/30/2018.

These materials and other financial releases can be found on the PSEG website at www.pseg.com, under the Investors tab. From time to time, PSEG, PSEG and PSEG Power release important information via postings on their corporate website at <http://investor.pseg.com>. Investors and other interested parties are encouraged to visit the corporate website to review new postings. The "email alerts" link at <http://investor.pseg.com> may be used to enroll to receive automatic email alerts and/or really simple syndication (RSS) feeds regarding new postings at <http://investor.pseg.com/rss>.

Items Excluded from Net income to Reconcile to Non-GAAP Operating Earnings

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

Reconciling Items	Three Months Ended March 31,		Year-Ended December 31,	
	2018	2017	2017	2016
	(\$ millions, Unaudited)			
Net Income	\$ 558	\$ 114	\$ 1,574	\$ 887
(Gain) Loss on Nuclear Decommissioning Trust (NDT)	-	-	-	-
Fund Related Activity, pre-tax (PSEG Power) ^(a)	24	(17)	(133)	(5)
(Gain) Loss on Mark-to-Market (MTM), pre-tax ^(b) (PSEG Power)	(118)	(10)	167	168
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	4	564	975	669
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	55	77	147
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform ^(c)	24	(240)	(427)	(391)
Tax Reform	-	-	(745)	-
Operating Earnings (non-GAAP)	\$ 492	\$ 466	\$ 1,488	\$ 1,475
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	508	507	508
	(\$ Per Share Impact - Diluted, Unaudited)			
Net Income	\$ 1.10	\$ 0.22	\$ 3.10	\$ 1.75
(Gain) Loss on NDT Fund Related Activity, pre-tax ^(a) (PSEG Power)	0.04	(0.03)	(0.26)	(0.01)
(Gain) Loss on MTM, pre-tax ^(b) (PSEG Power)	(0.23)	(0.02)	0.33	0.33
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	0.01	1.10	1.92	1.32
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	0.11	0.15	0.29
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax reform ^(c)	0.05	(0.46)	(0.84)	(0.78)
Tax Reform	-	-	(1.47)	-
Operating Earnings (non-GAAP)	\$ 0.97	\$ 0.92	\$ 2.93	\$ 2.90

(a) Effective January 1, 2018, unrealized gains (losses) on equity securities are recorded in Net Income instead of Other Comprehensive Income (Loss).
(b) Includes the financial impact from positions with forward delivery months.
(c) Income tax effect calculated at 28.11% for 2018 and 40.85% statutory rate for 2017 and 2016, 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.

PSEG Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended March 31,		Year-Ended December 31,
	2018	2017	2017
	(\$ millions, Unaudited)		
Net Income	\$ 319	\$ 299	\$ 973
Tax Reform	-	-	(10)
Operating Earnings (non-GAAP)	\$ 319	\$ 299	\$ 963
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	508	507

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

Reconciling Items	Three Months Ended March 31,		Year-Ended December 31,
	2018	2017	2017
	(\$ millions, Unaudited)		
Net Income (Loss)	\$ 5	\$ (15)	\$ 122
Lease Related Activity, pre-tax	-	55	77
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform ^(a)	-	(23)	(32)
Tax Reform	-	-	(147)
Operating Earnings (non-GAAP)	\$ 5	\$ 17	\$ 20
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	508	507

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

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

Reconciling Items	Three Months Ended March 31,		Year-Ended December 31,
	2018	2017	2017
	(\$ millions, Unaudited)		
Net Income (Loss)	\$ 234	\$ (170)	\$ 479
(Gain) Loss on NDT Fund Related Activity, pre-tax ^(a)	24	(17)	(133)
(Gain) Loss on MTM, pre-tax ^(b)	(118)	(10)	167
Hudson/Mercer Early Retirement, pre-tax	4	564	975
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform ^(c)	24	(217)	(396)
Tax Reform	-	-	(588)
Operating Earnings (non-GAAP)	\$ 168	\$ 150	\$ 505
Depreciation and Amortization, pre-tax ^(d)	80	92	333
Interest Expense, pre-tax ^{(d)(e)}	6	16	48
Income Taxes ^(d)	59	101	286
Adjusted EBITDA (non-GAAP)	\$ 313	\$ 359	\$ 1,172
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	508	507

(a) Effective January 1, 2018, unrealized gains (losses) on equity securities are recorded in Net Income instead of Other Comprehensive Income (Loss).
(b) Includes the financial impact from positions with forward delivery months.
(c) Income tax effect calculated at 28.11% and 40.85% statutory rate for 2018 and 2017, respectively, except for NDT related activity which is calculated at the statutory rate plus a 20% tax on income (losses) from qualified NDT funds.
(d) Excludes amounts related to Operating Earnings (non-GAAP) reconciling items.
(e) Net of capitalized interest.