

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
Consolidating Statements of Operations
(Unaudited, \$ millions, except per share data)

Three Months Ended June 30, 2018

	PSEG	PSEG Enterprise/ Other ^(a)	PSE&G	PSEG Power
OPERATING REVENUES	\$ 2,016	\$ (137)	\$ 1,386	\$ 767
OPERATING EXPENSES				
Energy Costs	600	(261)	488	373
Operation and Maintenance	725	104	353	268
Depreciation and Amortization	280	9	187	84
Total Operating Expenses	1,605	(148)	1,028	725
OPERATING INCOME	411	11	358	42
Income from Equity Method Investments	5	-	-	5
Net Gains (Losses) on Trust Investments	8	-	-	8
Other Income (Deductions)	34	1	20	13
Non-Operating Pension and OPEB Credits (Costs)	19	1	15	3
Interest Expense	(111)	(18)	(82)	(11)
INCOME (LOSS) BEFORE INCOME TAXES	366	(5)	311	60
Income Tax Benefit (Expense)	(97)	2	(80)	(19)
NET INCOME (LOSS)	\$ 269	\$ (3)	\$ 231	\$ 41
Reconciling Items Excluded from Net Income (Loss) ^(b)	56	14	-	42
OPERATING EARNINGS (non-GAAP)	\$ 325	\$ 11	\$ 231	\$ 83

Earnings Per Share

NET INCOME (LOSS)	\$ 0.53	\$ (0.01)	\$ 0.46	\$ 0.08
Reconciling Items Excluded from Net Income (Loss) ^(b)	0.11	0.03	-	0.08
OPERATING EARNINGS (non-GAAP)	\$ 0.64	\$ 0.02	\$ 0.46	\$ 0.16

Three Months Ended June 30, 2017

	PSEG	PSEG Enterprise/ Other ^(a)	PSE&G	PSEG Power
OPERATING REVENUES	\$ 2,142	\$ (169)	\$ 1,393	\$ 918
OPERATING EXPENSES				
Energy Costs	588	(286)	488	386
Operation and Maintenance	718	103	359	256
Depreciation and Amortization	641	10	166	465
Total Operating Expenses	1,947	(173)	1,013	1,107
OPERATING INCOME (LOSS)	195	4	380	(189)
Income from Equity Method Investments	5	-	-	5
Net Gains (Losses) on Trust Investments	25	1	-	24
Other Income (Deductions)	33	-	21	12
Non-Operating Pension and OPEB Credits (Costs)	1	-	(1)	2
Interest Expense	(91)	(9)	(69)	(13)
INCOME (LOSS) BEFORE INCOME TAXES	168	(4)	331	(159)
Income Tax Benefit (Expense)	(59)	2	(123)	62
NET INCOME (LOSS)	\$ 109	\$ (2)	\$ 208	\$ (97)
Reconciling Items Excluded from Net Income (Loss) ^(b)	207	13	-	194
OPERATING EARNINGS (non-GAAP)	\$ 316	\$ 11	\$ 208	\$ 97

Earnings Per Share

NET INCOME (LOSS)	\$ 0.22	\$ -	\$ 0.41	\$ (0.19)
Reconciling Items Excluded from Net Income (Loss) ^(b)	0.40	0.02	-	0.38
OPERATING EARNINGS (non-GAAP)	\$ 0.62	\$ 0.02	\$ 0.41	\$ 0.19

(a) Includes activities at Energy Holdings, PSEG Long Island and the Parent as well as intercompany eliminations.

(b) See Attachments 10 and 11 for details of items excluded from Net Income/(Loss) to compute Operating Earnings (non-GAAP).

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
Consolidating Statements of Operations
(Unaudited, \$ millions, except per share data)

Six Months Ended June 30, 2018

	PSEG	PSEG Enterprise/ Other ^(a)	PSE&G	PSEG Power
OPERATING REVENUES	\$ 4,834	\$ (567)	\$ 3,231	\$ 2,170
OPERATING EXPENSES				
Energy Costs	1,552	(837)	1,270	1,119
Operation and Maintenance	1,479	221	744	514
Depreciation and Amortization	560	17	377	166
Total Operating Expenses	3,591	(599)	2,391	1,799
OPERATING INCOME	1,243	32	840	371
Income from Equity Method Investments	7	-	-	7
Net Gains (Losses) on Trust Investments	(14)	-	-	(14)
Other Income and (Deductions)	66	2	40	24
Non-Operating Pension and OPEB Credits (Costs)	38	1	30	7
Interest Expense	(214)	(33)	(163)	(18)
INCOME BEFORE INCOME TAXES	1,126	2	747	377
Income Tax Benefit (Expense)	(299)	-	(197)	(102)
NET INCOME	\$ 827	\$ 2	\$ 550	\$ 275
Reconciling Items Excluded from Net Income ^(b)	(10)	14	-	(24)
OPERATING EARNINGS (non-GAAP)	\$ 817	\$ 16	\$ 550	\$ 251

Earnings Per Share

NET INCOME	\$ 1.63	\$ -	\$ 1.09	\$ 0.54
Reconciling Items Excluded from Net Income ^(b)	(0.02)	0.03	-	(0.05)
OPERATING EARNINGS (non-GAAP)	\$ 1.61	\$ 0.03	\$ 1.09	\$ 0.49

Six Months Ended June 30, 2017

	PSEG	PSEG Enterprise/ Other ^(a)	PSE&G	PSEG Power
OPERATING REVENUES	\$ 4,733	\$ (673)	\$ 3,219	\$ 2,187
OPERATING EXPENSES				
Energy Costs	1,456	(872)	1,250	1,078
Operation and Maintenance	1,435	218	729	488
Depreciation and Amortization	1,469	17	337	1,115
Total Operating Expenses	4,360	(637)	2,316	2,681
OPERATING INCOME (LOSS)	373	(36)	903	(494)
Income from Equity Method Investments	8	-	-	8
Net Gains (Losses) on Trust Investments	53	8	2	43
Other Income (Deductions)	65	(1)	43	23
Non-Operating Pension and OPEB Credits (Costs)	1	-	(3)	4
Interest Expense	(189)	(16)	(144)	(29)
INCOME (LOSS) BEFORE INCOME TAXES	311	(45)	801	(445)
Income Tax Benefit (Expense)	(88)	28	(294)	178
NET INCOME (LOSS)	\$ 223	\$ (17)	\$ 507	\$ (267)
Reconciling Items Excluded from Net Income (Loss) ^(b)	559	45	-	514
OPERATING EARNINGS (non-GAAP)	\$ 782	\$ 28	\$ 507	\$ 247

Earnings Per Share

NET INCOME (LOSS)	\$ 0.44	\$ (0.03)	\$ 1.00	\$ (0.53)
Reconciling Items Excluded from Net Income (Loss) ^(b)	1.10	0.08	-	1.02
OPERATING EARNINGS (non-GAAP)	\$ 1.54	\$ 0.05	\$ 1.00	\$ 0.49

(a) Includes activities at Energy Holdings, PSEG Long Island and the Parent as well as intercompany eliminations.

(b) See Attachments 10 and 11 for details of items excluded from Net Income/(Loss) to compute Operating Earnings (non-GAAP).

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
Capitalization Schedule
(Unaudited, \$ millions)

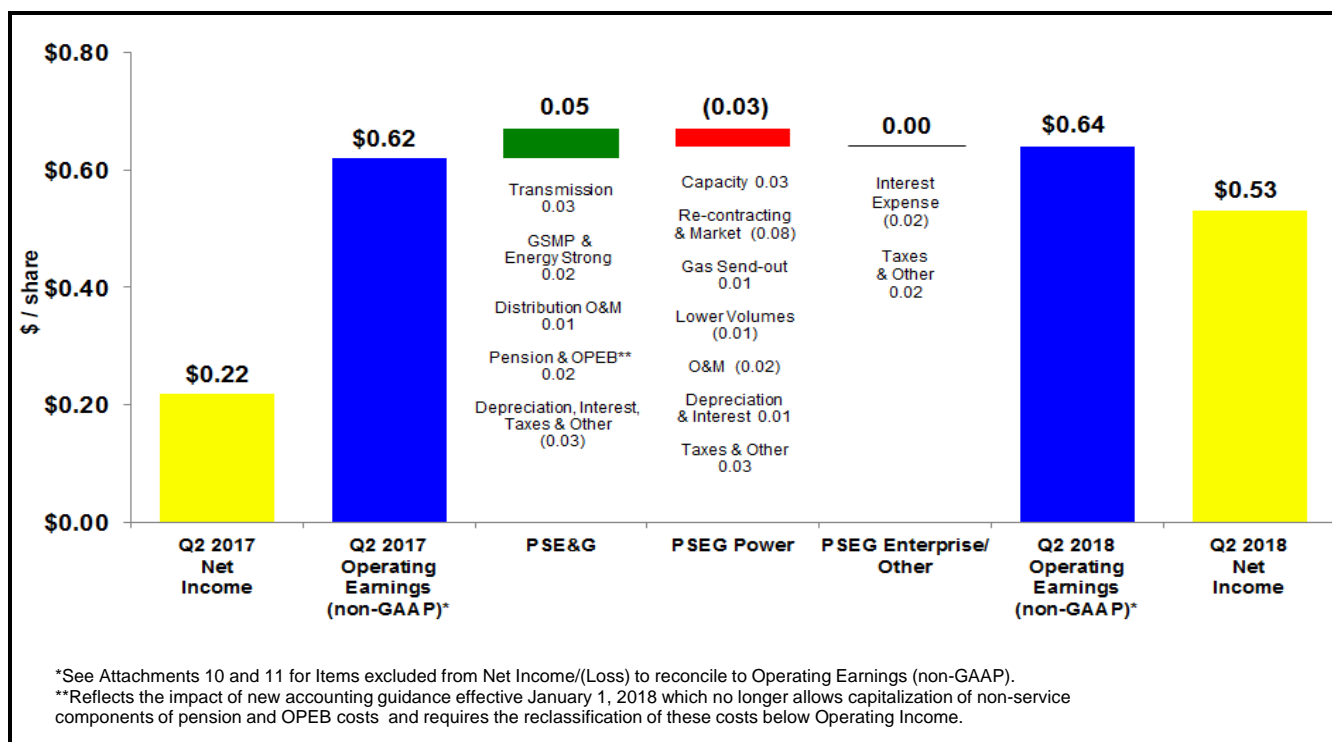
	June 30, 2018	December 31, 2017
DEBT		
Commercial Paper and Loans	\$ 270	\$ 542
Long-Term Debt*	14,060	13,068
Total Debt	<u>14,330</u>	<u>13,610</u>
STOCKHOLDERS' EQUITY		
Common Stock	4,955	4,961
Treasury Stock	(813)	(763)
Retained Earnings	10,426	9,878
Accumulated Other Comprehensive Loss	(410)	(229)
Total Stockholders' Equity	<u>14,158</u>	<u>13,847</u>
Total Capitalization	<u>\$ 28,488</u>	<u>\$ 27,457</u>

*Includes current portion of Long-Term Debt

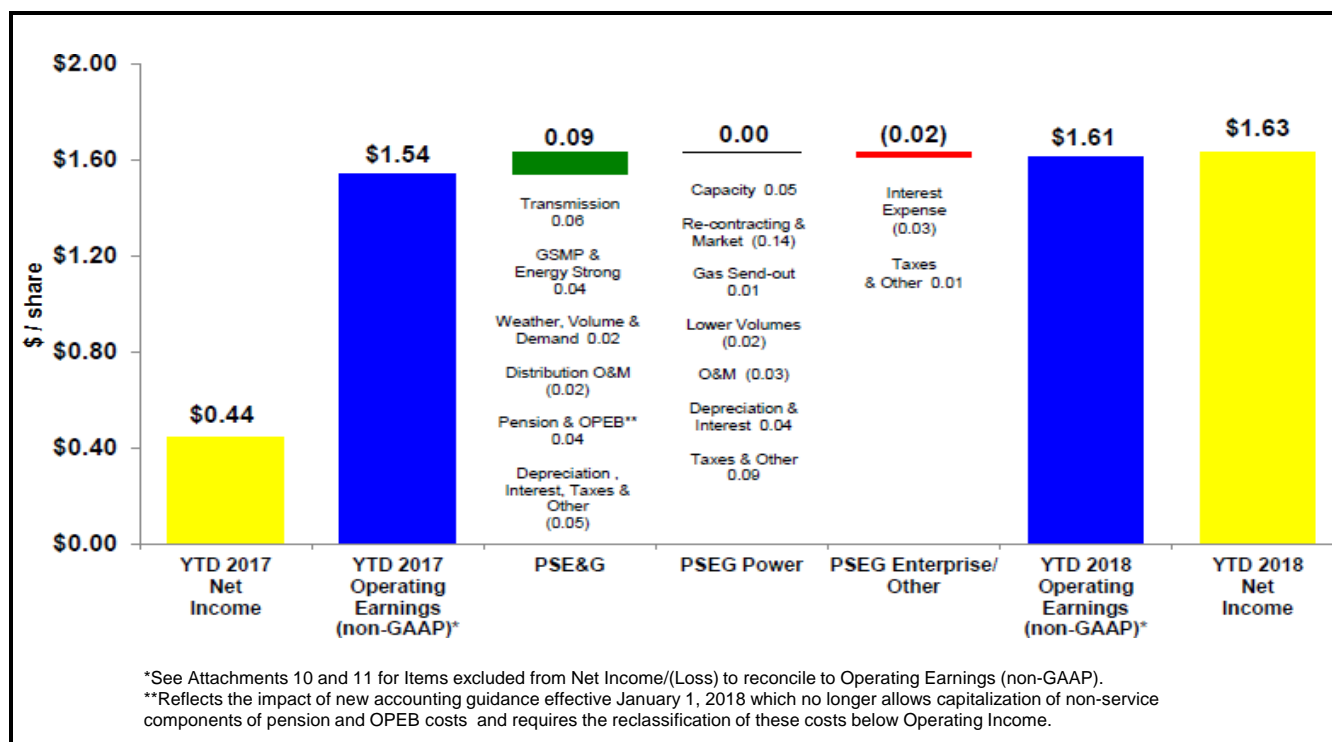
PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, \$ millions)

	Six Months ended June 30, 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 827	\$ 223
Adjustments to Reconcile Net Income to Net Cash Flows		
From Operating Activities	806	1,532
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,633</u>	<u>1,755</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(2,027)</u>	<u>(1,989)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>190</u>	<u>240</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	(204)	6
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	315	426
Cash, Cash Equivalents and Restricted Cash at End of Period	<u>\$ 111</u>	<u>\$ 432</u>

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
Quarter-over-Quarter EPS Reconciliation
June 30, 2018 vs. June 30, 2017
(Unaudited)



PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
Year-over-Year EPS Reconciliation
June 30, 2018 vs. June 30, 2017
(Unaudited)



PUBLIC SERVICE ELECTRIC & GAS COMPANY

Retail Sales
(Unaudited)
June 30, 2018

Electric Sales

<u>Sales (millions kWh)</u>	<u>Three Months Ended</u>	<u>Change vs. 2017</u>	<u>Six Months Ended</u>	<u>Change vs. 2017</u>
Residential	3,042	2.2%	6,135	2.7%
Commercial & Industrial	6,668	2.0%	13,378	0.4%
Street Lighting	71	4.0%	170	3.1%
Interdepartmental	2	-1.8%	5	1.5%
Total	9,783	2.1%	19,688	1.1%
 <u>Weather Data</u>				
THI Hours - Actual	4,166	-4.6%	4,212	-3.9%
THI Hours - Normal	4,051		4,083	

Gas Sold and Transported

<u>Sales (millions therms)*</u>	<u>Three Months Ended</u>	<u>Change vs. 2017</u>	<u>Six Months Ended</u>	<u>Change vs. 2017</u>
Firm Sales				
Residential Sales	226	21.8%	962	12.6%
Commercial & Industrial	192	28.4%	673	13.1%
Total Firm Sales	418	24.8%	1,635	12.8%
 Non-Firm Sales				
Commercial & Industrial	272	-23.7%	487	-29.1%
Total Non-Firm Sales	272		487	
 Total Sales	 690	 -0.2%	 2,122	 -0.7%
 <u>Weather Data</u>				
Degree Days - Actual	561	18.7%	3,044	9.8%
Degree Days - Normal	499		3,020	

*CSG rate included in non-firm sales

PSEG POWER LLC
Generation Measures⁽¹⁾
(Unaudited)

	GWhr Breakdown	
	Three Months Ended June 30,	
	2018	2017
Nuclear - NJ	4,527	4,800
Nuclear - PA	2,839	2,766
Total Nuclear	7,366	7,566
Fossil - Coal ⁽²⁾	1,383	1,360
Fossil - Natural Gas & Oil - NJ	2,166	2,526
Fossil - Natural Gas & Oil - NY	1,411	1,495
Fossil - Natural Gas & Oil - CT	1	4
Total Natural Gas & Oil ⁽³⁾	3,578	4,025
	12,327	12,951

	GWhr Breakdown	
	Six Months Ended June 30,	
	2018	2017
	10,050	10,314
	5,704	5,607
	15,754	15,921
	2,907	2,794
	3,874	4,628
	2,490	2,445
	16	(2)
	6,380	7,071
	25,041	25,786

	% Generation by Fuel Type	
	Three Months Ended June 30,	
	2018	2017
Nuclear - NJ	37%	37%
Nuclear - PA	23%	21%
Total Nuclear	60%	58%
Fossil - Coal ⁽²⁾	11%	11%
Fossil - Natural Gas & Oil - NJ	18%	19%
Fossil - Natural Gas & Oil - NY	11%	12%
Fossil - Natural Gas & Oil - CT	0%	0%
Total Natural Gas & Oil ⁽³⁾	29%	31%
	100%	100%

	% Generation by Fuel Type	
	Six Months Ended June 30,	
	2018	2017
	40%	40%
	23%	22%
	63%	62%
	12%	11%
	15%	18%
	10%	9%
	0%	0%
	25%	27%
	100%	100%

⁽¹⁾Excludes Solar and Kalaeloa

⁽²⁾Includes Pumped Storage which accounted for <1% of total generation.

⁽³⁾Include several units that are dual fuel for oil.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
Statistical Measures
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Weighted Average Common Shares Outstanding (millions)				
Basic	504	505	504	505
Diluted	507	507	507	507
Stock Price at End of Period			\$ 54.14	\$ 43.01
Dividends Paid per Share of Common Stock	\$ 0.45	\$ 0.43	\$ 0.90	\$ 0.86
Dividend Yield			3.3%	4.0%
Book Value per Common Share			\$ 28.10	\$ 25.60
Market Price as a Percent of Book Value			193%	168%

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

Reconciling Items	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
(\$ millions, Unaudited)				
Net Income	\$ 269	\$ 109	\$ 827	\$ 223
(Gain) Loss on Nuclear Decommissioning Trust (NDT)				
Fund Related Activity, pre-tax (PSEG Power) ^(a)	(9)	(30)	15	(47)
(Gain) Loss on Mark-to-Market (MTM), pre-tax ^(b) (PSEG Power)	67	(36)	(51)	(46)
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	(1)	387	3	951
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	20	22	20	77
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(c)	(21)	(136)	3	(376)
Operating Earnings (non-GAAP)	\$ 325	\$ 316	\$ 817	\$ 782
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507	507
(\$ Per Share Impact - Diluted, Unaudited)				
Net Income	\$ 0.53	\$ 0.22	\$ 1.63	\$ 0.44
(Gain) Loss on NDT Fund Related Activity, pre-tax ^(a) (PSEG Power)	(0.01)	(0.06)	0.03	(0.09)
(Gain) Loss on MTM, pre-tax ^(b) (PSEG Power)	0.13	(0.07)	(0.10)	(0.09)
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	-	0.77	0.01	1.87
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	0.03	0.04	0.03	0.15
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(c)	(0.04)	(0.28)	0.01	(0.74)
Operating Earnings (non-GAAP)	\$ 0.64	\$ 0.62	\$ 1.61	\$ 1.54

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

Reconciling Items	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
(\$ millions, Unaudited)				
Net Income (Loss)	\$ 41	\$ (97)	\$ 275	\$ (267)
(Gain) Loss on NDT Fund Related Activity, pre-tax ^(a)	(9)	(30)	15	(47)
(Gain) Loss on MTM, pre-tax ^(b)	67	(36)	(51)	(46)
Hudson/Mercer Early Retirement, pre-tax	(1)	387	3	951
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(c)	(15)	(127)	9	(344)
Operating Earnings (non-GAAP)	\$ 83	\$ 97	\$ 251	\$ 247
Depreciation and Amortization, pre-tax ^(d)	82	87	162	179
Interest Expense, pre-tax ^{(d) (e)}	11	12	17	28
Income Taxes ^(d)	34	65	93	166
Adjusted EBITDA (non-GAAP)	\$ 210	\$ 261	\$ 523	\$ 620
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507	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.

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

Reconciling Items	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
(\$ millions, Unaudited)				
Net Income (Loss)	\$ (3)	\$ (2)	\$ 2	\$ (17)
Lease Related Activity, pre-tax	20	22	20	77
Income Taxes related to Lease related activity ^(a)	(6)	(9)	(6)	(32)
Operating Earnings (non-GAAP)	\$ 11	\$ 11	\$ 16	\$ 28
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507	507

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