

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

Three Months Ended March 31, 2018

	PSEG	PSEG Enterprise/ Other <sup>(a)</sup>	PSE&G	PSEG Power
OPERATING REVENUES	\$ 2,818	\$ (430)	\$ 1,845	\$ 1,403
OPERATING EXPENSES				
Energy Costs	952	(576)	782	746
Operation and Maintenance	754	117	391	246
Depreciation and Amortization	280	8	190	82
Total Operating Expenses	<u>1,986</u>	<u>(451)</u>	<u>1,363</u>	<u>1,074</u>
OPERATING INCOME	832	21	482	329
Income from Equity Method Investments	2	-	-	2
Net Gains (Losses) on Trust Investments	(22)	-	-	(22)
Other Income (Deductions)	32	1	20	11
Non-Operating Pension and OPEB Credits (Costs)	19	-	15	4
Interest Expense	(103)	(15)	(81)	(7)
INCOME BEFORE INCOME TAXES	760	7	436	317
Income Tax Expense	(202)	(2)	(117)	(83)
<b>NET INCOME</b>	<b>\$ 558</b>	<b>\$ 5</b>	<b>\$ 319</b>	<b>\$ 234</b>
Reconciling Items Excluded from Net Income <sup>(b)</sup>	(66)	-	-	(66)
<b>OPERATING EARNINGS (non-GAAP)</b>	<b>\$ 492</b>	<b>\$ 5</b>	<b>\$ 319</b>	<b>\$ 168</b>

**Earnings Per Share**

	\$ 1.10	\$ 0.01	\$ 0.63	\$ 0.46
<b>NET INCOME</b>				
Reconciling Items Excluded from Net Income <sup>(b)</sup>	(0.13)	-	-	(0.13)
<b>OPERATING EARNINGS (non-GAAP)</b>	<b>\$ 0.97</b>	<b>\$ 0.01</b>	<b>\$ 0.63</b>	<b>\$ 0.33</b>

Three Months Ended March 31, 2017

	PSEG	PSEG Enterprise/ Other <sup>(a)</sup>	PSE&G	PSEG Power
OPERATING REVENUES	\$ 2,591	\$ (504)	\$ 1,826	\$ 1,269
OPERATING EXPENSES				
Energy Costs	868	(586)	762	692
Operation and Maintenance	717	115	370	232
Depreciation and Amortization	828	7	171	650
Total Operating Expenses	<u>2,413</u>	<u>(464)</u>	<u>1,303</u>	<u>1,574</u>
OPERATING INCOME (LOSS)	178	(40)	523	(305)
Income from Equity Method Investments	3	-	-	3
Net Gains (Losses) on Trust Investments	28	7	2	19
Other Income (Deductions)	32	(1)	22	11
Non-Operating Pension and OPEB Credits (Costs)	-	-	(2)	2
Interest Expense	(98)	(7)	(75)	(16)
INCOME (LOSS) BEFORE INCOME TAXES	143	(41)	470	(286)
Income Tax Benefit (Expense)	(29)	26	(171)	116
<b>NET INCOME (LOSS)</b>	<b>\$ 114</b>	<b>\$ (15)</b>	<b>\$ 299</b>	<b>\$ (170)</b>
Reconciling Items Excluded from Net Income (Loss) <sup>(b)</sup>	352	32	-	320
<b>OPERATING EARNINGS (non-GAAP)</b>	<b>\$ 466</b>	<b>\$ 17</b>	<b>\$ 299</b>	<b>\$ 150</b>
<b>Earnings Per Share</b>				
<b>NET INCOME (LOSS)</b>	<b>\$ 0.22</b>	<b>\$ (0.03)</b>	<b>\$ 0.59</b>	<b>\$ (0.34)</b>
Reconciling Items Excluded from Net Income (Loss) <sup>(b)</sup>	0.70	0.06	-	0.64
<b>OPERATING EARNINGS (non-GAAP)</b>	<b>\$ 0.92</b>	<b>\$ 0.03</b>	<b>\$ 0.59</b>	<b>\$ 0.30</b>

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

(b) See Attachments 8 and 9 for details of items excluded from Net Income/(Loss) to compute Operating Earnings (non-GAAP).

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

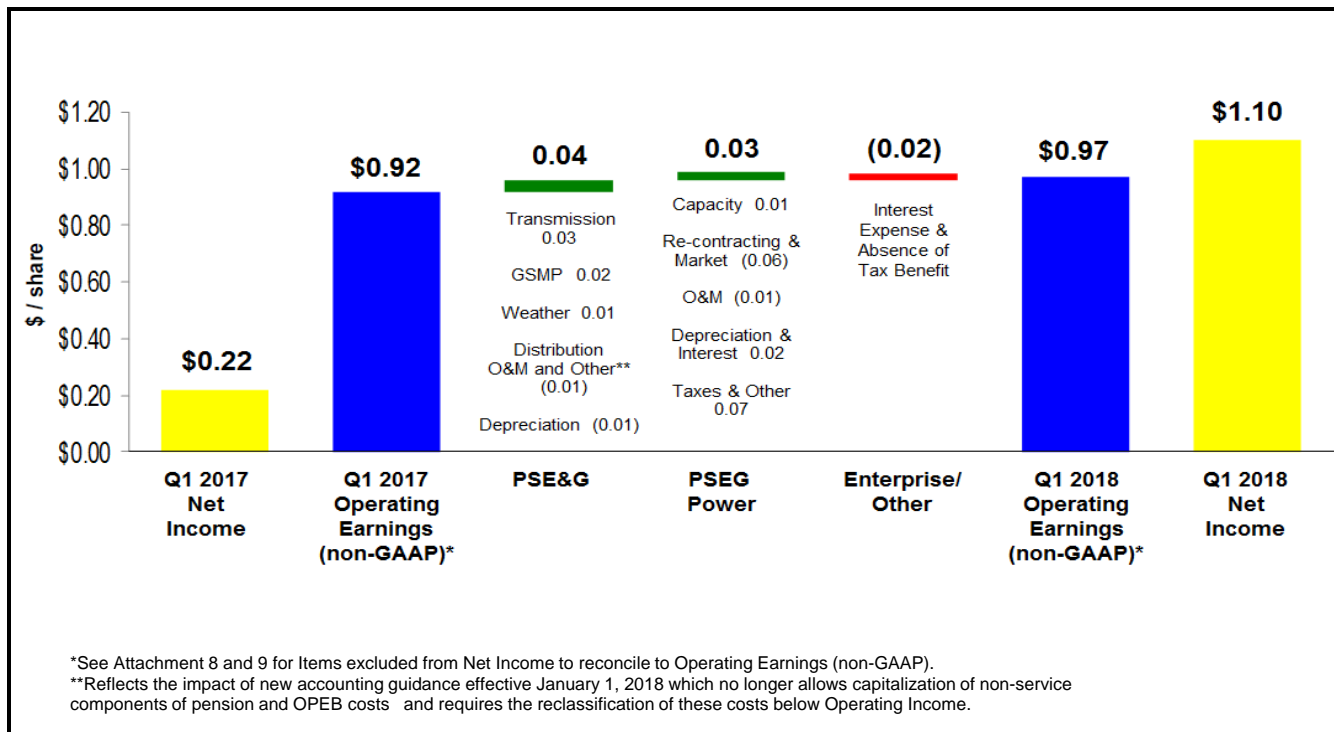
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
<b>DEBT</b>		
Commercial Paper and Loans	\$ 594	\$ 542
Long-Term Debt*	13,072	13,068
Total Debt	<u>13,666</u>	<u>13,610</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock	4,946	4,961
Treasury Stock	(816)	(763)
Retained Earnings	10,385	9,878
Accumulated Other Comprehensive Loss	(411)	(229)
Total Stockholders' Equity	<u>14,104</u>	<u>13,847</u>
Total Capitalization	<u>\$ 27,770</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)

	<b>Three Months ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ 558	\$ 114
Adjustments to Reconcile Net Income to Net Cash Flows		
From Operating Activities	582	1,083
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,140</u>	<u>1,197</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(1,073)</u>	<u>(1,079)</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>(248)</u>	<u>(347)</u>
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>	(181)	(229)
<b>Cash, Cash Equivalents and Restricted Cash at Beginning of Period</b>	315	426
<b>Cash, Cash Equivalents and Restricted Cash at End of Period</b>	<u>\$ 134</u>	<u>\$ 197</u>

**PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED**  
**Quarter-over-Quarter EPS Reconciliation**  
**March 31, 2018 vs. March 31, 2017**  
**(Unaudited)**



**PUBLIC SERVICE ELECTRIC & GAS COMPANY**  
**Retail Sales**  
**(Unaudited)**  
**March 31, 2018**

**Electric Sales**

<u>Sales (millions kWh)</u>	<u>Three Months Ended</u>	<u>Change vs. 2017</u>
Residential	3,093	3.2%
Commercial & Industrial	6,709	-1.2%
Street Lighting	99	2.4%
Interdepartmental	3	4.4%
<b>Total</b>	<b>9,904</b>	<b>0.1%</b>
<b><u>Weather Data</u></b>		
THI Hours - Actual	46	196.1%
THI Hours - Normal	32	

**Gas Sold and Transported**

<u>Sales (millions therms)*</u>	<u>Three Months Ended</u>	<u>Change vs. 2017</u>
<b>Firm Sales</b>		
Residential Sales	735	10.1%
Commercial & Industrial	480	7.9%
<b>Total Firm Sales</b>	<b>1,215</b>	<b>9.2%</b>
<b>Non-Firm Sales</b>		
Commercial & Industrial	215	-35.0%
<b>Total Non-Firm Sales</b>	<b>215</b>	
<b>Total Sales</b>	<b>1,430</b>	<b>-0.9%</b>
<b><u>Weather Data</u></b>		
Degree Days - Actual	2,483	8.0%
Degree Days - Normal	2,521	

\*CSG rate included in non-firm sales

**PSEG POWER LLC**  
**Generation Measures<sup>(1)</sup>**  
**(Unaudited)**

	<b>GWhr Breakdown</b>	
	<b>Three Months Ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
Nuclear - NJ	5,524	5,514
Nuclear - PA	2,864	2,842
Total Nuclear	<b>8,388</b>	<b>8,356</b>
Fossil - Coal <sup>(2)</sup>	<b>1,523</b>	<b>1,432</b>
Fossil - Natural Gas & Oil - NJ	1,708	2,102
Fossil - Natural Gas & Oil - NY	1,079	950
Fossil - Natural Gas & Oil - CT	16	(6)
Total Natural Gas & Oil <sup>(3)</sup>	<b>2,803</b>	<b>3,046</b>
	<b>12,714</b>	<b>12,834</b>

	<b>% Generation by Fuel Type</b>	
	<b>Three Months Ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
Nuclear - NJ	43%	43%
Nuclear - PA	23%	22%
Total Nuclear	<b>66%</b>	<b>65%</b>
Fossil - Coal <sup>(2)</sup>	<b>12%</b>	<b>12%</b>
Fossil - Natural Gas & Oil - NJ	13%	16%
Fossil - Natural Gas & Oil - NY	9%	7%
Fossil - Natural Gas & Oil - CT	0%	0%
Total Natural Gas & Oil <sup>(3)</sup>	<b>22%</b>	<b>23%</b>
	<b>100%</b>	<b>100%</b>

<sup>(1)</sup>Excludes Solar and Kalaheoa

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

<sup>(3)</sup>Include several units that are dual fuel for oil.

**PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED**  
**Statistical Measures**  
**(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
Weighted Average Common Shares Outstanding (millions)		
Basic	504	505
Diluted	507	508
Stock Price at End of Period	\$ 50.24	\$ 44.35
Dividends Paid per Share of Common Stock	\$ 0.45	\$ 0.43
Dividend Yield	3.6%	3.9%
Book Value per Common Share	\$ 28.00	\$ 25.78
Market Price as a Percent of Book Value	179%	172%

**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
	(\$ millions, Unaudited)		
<b>Net Income</b>	<b>\$ 558</b>	<b>\$ 114</b>	<b>\$ 1,574</b>
(Gain) Loss on Nuclear Decommissioning Trust (NDT) Fund Related Activity, pre-tax (PSEG Power) <sup>(a)</sup>	24	(17)	(133)
(Gain) Loss on Mark-to-Market (MTM), pre-tax <sup>(b)</sup> (PSEG Power)	(118)	(10)	167
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	4	564	975
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	55	77
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax Reform <sup>(c)</sup>	24	(240)	(427)
Tax Reform	-	-	(745)
<b>Operating Earnings (non-GAAP)</b>	<b><u>\$ 492</u></b>	<b><u>\$ 466</u></b>	<b><u>\$ 1,488</u></b>
<b>PSEG Fully Diluted Average Shares Outstanding (in millions)</b>	<b>507</b>	<b>508</b>	<b>507</b>
	(\$ Per Share Impact - Diluted, Unaudited)		
<b>Net Income</b>	<b>\$ 1.10</b>	<b>\$ 0.22</b>	<b>\$ 3.10</b>
(Gain) Loss on NDT Fund Related Activity, pre-tax <sup>(a)</sup> (PSEG Power)	0.04	(0.03)	(0.26)
(Gain) Loss on MTM, pre-tax <sup>(b)</sup> (PSEG Power)	(0.23)	(0.02)	0.33
Hudson/Mercer Early Retirement, pre-tax (PSEG Power)	0.01	1.10	1.92
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	0.11	0.15
Income Taxes related to Operating Earnings (non-GAAP) reconciling items, excluding Tax reform <sup>(c)</sup>	0.05	(0.46)	(0.84)
Tax Reform	-	-	(1.47)
<b>Operating Earnings (non-GAAP)</b>	<b><u>\$ 0.97</u></b>	<b><u>\$ 0.92</u></b>	<b><u>\$ 2.93</u></b>

(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.



## PSE&amp;G 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)	<u>\$ 319</u>	<u>\$ 299</u>	<u>\$ 963</u>
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	508	507

## 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 <sup>(a)</sup>	24	(17)	(133)
(Gain) Loss on MTM, pre-tax <sup>(b)</sup>	(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 <sup>(c)</sup>	24	(217)	(395)
Tax Reform	-	-	(588)
Operating Earnings (non-GAAP)	<u>\$ 168</u>	<u>\$ 150</u>	<u>\$ 505</u>
Depreciation and Amortization, pre-tax <sup>(d)</sup>	80	92	333
Interest Expense, pre-tax <sup>(d) (e)</sup>	6	16	48
Income Taxes <sup>(d)</sup>	59	101	286
Adjusted EBITDA (non-GAAP)	<u>\$ 313</u>	<u>\$ 359</u>	<u>\$ 1,172</u>
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.

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 <sup>(a)</sup>	-	(23)	(32)
Tax Reform	-	-	(147)
Operating Earnings (non-GAAP)	<u>\$ 5</u>	<u>\$ 17</u>	<u>\$ 20</u>
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	508	507

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