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PSE&G Proposes a \$152 Million ‘Shovel Ready’ Smart Grid Modernization Project that Will Create Jobs and Improve Reliability, Security

NJ utility applies for federal stimulus funds

(August 6, 2009 - Newark, NJ) - PSE&G, New Jersey’s largest utility, is seeking federal stimulus funds for a \$152 million ‘shovel ready’ smart grid modernization project that would put as many as 551 people to work improving the reliability of the electric grid and protecting it against cyber attacks. The federal government could contribute up to \$76 million--half of the cost of the project--through a grant being offered by the U.S. Department of Energy’s (DOE) Smart Grid Investment Grant Program. A decision on the grant is expected later this year.

“We can stimulate the economy almost immediately with this project, putting hundreds of people to work strengthening the grid and readying it for technological advances,” Ralph LaRossa, president and chief operating officer of PSE&G. “This is work that we know is needed, and that we know how to do.”

PSE&G’s proposed project has two main components. The first is the upgrade of 40 substations that will improve electric reliability. The second is the continued deployment of Advanced Loop Scheme (ALS) technology.

PSE&G would improve reliability by constructing 62 new ALS loop schemes. This involves dividing electric distribution circuits into sections that serve fewer customers than traditional circuits, reducing the number and duration of power outages in the case of a fault. Combining ALS with a new fiber-optic communications backbone, PSE&G will be able to more easily pinpoint disruptions, limit the spread of problems, and dispatch repair crews to the right locations in less time.

PSE&G’s plans also include the use of cutting-edge communications technology that would lay the foundation for a range of smart grid technologies that could be employed in the future, including the integration of plug-in electric vehicles and small-scale wind and solar generation, as well as tools that allow consumers to save money by reducing energy consumption and purchasing electricity when it is less expensive.

“PSE&G has been repeatedly recognized as one of the nation’s most reliable utilities,” LaRossa said. “These are the kinds of investments that will allow us to remain a leader in this regard while laying the foundation for the grid of the future--the smart grid.”

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 Reliability One Award for superior electric system reliability. PSE&G is a subsidiary of Public Service Enterprise Group Incorporated (PSEG) (NYSE:PEG), a diversified energy company (www.pseg.com).

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