

PUBLIC SERVICE ENTERPRISE GROUP INC
 Form 10-Q
 July 31, 2015

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UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 FORM 10-Q
 (Mark One)
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
 SECURITIES EXCHANGE ACT OF 1934
 FOR THE QUARTERLY PERIOD ENDED June 30, 2015
 OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
 SECURITIES EXCHANGE ACT OF 1934
 FOR THE TRANSITION PERIOD FROM TO

Commission File Number	Registrants, State of Incorporation, Address, and Telephone Number	I.R.S. Employer Identification No.
001-09120	PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED (A New Jersey Corporation) 80 Park Plaza, P.O. Box 1171 Newark, New Jersey 07101-1171 973 430-7000 http://www.pseg.com	22-2625848
001-00973	PUBLIC SERVICE ELECTRIC AND GAS COMPANY (A New Jersey Corporation) 80 Park Plaza, P.O. Box 570 Newark, New Jersey 07101-0570 973 430-7000 http://www.pseg.com	22-1212800
001-34232	PSEG POWER LLC (A Delaware Limited Liability Company) 80 Park Plaza Newark, New Jersey 07102-4194 973 430-7000 http://www.pseg.com	22-3663480

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes No

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting

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company” in Rule 12b-2 of the Exchange Act.

Public Service Enterprise Group Incorporated Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Public Service Electric and Gas Company Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

PSEG Power LLC Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Indicate by check mark whether any of the registrants is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 21, 2015, Public Service Enterprise Group Incorporated had outstanding 505,874,772 shares of its sole class of Common Stock, without par value.

As of July 21, 2015, Public Service Electric and Gas Company had issued and outstanding 132,450,344 shares of Common Stock, without nominal or par value, all of which were privately held, beneficially and of record by Public Service Enterprise Group Incorporated.

Public Service Electric and Gas Company and PSEG Power LLC are wholly owned subsidiaries of Public Service Enterprise Group Incorporated and meet the conditions set forth in General Instruction H(1) (a) and (b) of Form 10-Q. Each is filing its Quarterly Report on Form 10-Q with the reduced disclosure format authorized by General Instruction H.

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FORWARD-LOOKING STATEMENTS

Certain of the matters discussed in this report 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 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 Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K and available on our website: <http://www.pseg.com>. These factors include, but are not limited to:

- adverse changes in the demand for or the price of the capacity and energy that we sell into wholesale electricity markets,
- adverse changes in energy industry law, policies and regulations, including market structures and transmission planning,
- any inability of our transmission and distribution businesses to obtain adequate and timely rate relief and regulatory approvals from federal and state regulators,
- changes in federal and state environmental regulations and enforcement that could increase our costs or limit our operations,
- changes in nuclear regulation and/or general developments in the nuclear power industry, including various impacts from any accidents or incidents experienced at our facilities or by others in the industry, that could limit operations of our nuclear generating units,
- actions or activities at one of our nuclear units located on a multi-unit site that might adversely affect our ability to continue to operate that unit or other units located at the same site,
- any inability to manage our energy obligations, available supply and risks,
- adverse outcomes of any legal, regulatory or other proceeding, settlement, investigation or claim applicable to us and/or the energy industry,
- any deterioration in our credit quality or the credit quality of our counterparties,
- availability of capital and credit at commercially reasonable terms and conditions and our ability to meet cash needs,
- changes in the cost of, or interruption in the supply of, fuel and other commodities necessary to the operation of our generating units,
- delays in receipt of necessary permits and approvals for our construction and development activities,
- delays or unforeseen cost escalations in our construction and development activities,
- any inability to achieve, or continue to sustain, our expected levels of operating performance,
- any equipment failures, accidents, severe weather events or other incidents that impact our ability to provide safe and reliable service to our customers, and any inability to obtain sufficient insurance coverage or recover proceeds of insurance with respect to such events,
- acts of terrorism, cybersecurity attacks or intrusions that could adversely impact our businesses,
- increases in competition in energy supply markets as well as for transmission projects,
- any inability to realize anticipated tax benefits or retain tax credits,
- challenges associated with recruitment and/or retention of a qualified workforce,
- adverse performance of our decommissioning and defined benefit plan trust fund investments and changes in funding requirements,
- changes in technology, such as distributed generation and micro grids, and greater reliance on these technologies, and

•changes in customer behaviors, including increases in energy efficiency, net-metering and demand response.

All of the forward-looking statements made in this report 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 or results of operations. Readers are cautioned not to place undue reliance on these forward-looking statements in making any investment decision. Forward-looking statements made in this report apply only as of the date of this report. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even if internal estimates change, unless otherwise required by applicable securities laws.

The forward-looking statements contained in this report 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.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONSMillions, except per share data
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
OPERATING REVENUES	\$2,314	\$2,249	\$5,449	\$5,472
OPERATING EXPENSES				
Energy Costs	668	789	1,762	2,145
Operation and Maintenance	761	800	1,424	1,656
Depreciation and Amortization	317	295	647	601
Total Operating Expenses	1,746	1,884	3,833	4,402
OPERATING INCOME	568	365	1,616	1,070
Income from Equity Method Investments	4	3	7	7
Other Income	76	62	124	110
Other Deductions	(10)	(10)	(22)	(22)
Other-Than-Temporary Impairments	(10)	(2)	(15)	(4)
Interest Expense	(97)	(94)	(195)	(191)
INCOME BEFORE INCOME TAXES	531	324	1,515	970
Income Tax Expense	(186)	(112)	(584)	(372)
NET INCOME	\$345	\$212	\$931	\$598
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
BASIC	506	506	506	506
DILUTED	508	508	508	508
NET INCOME PER SHARE:				
BASIC	\$0.68	\$0.42	\$1.84	\$1.18
DILUTED	\$0.68	\$0.42	\$1.83	\$1.18
DIVIDENDS PAID PER SHARE OF COMMON STOCK	\$0.39	\$0.37	\$0.78	\$0.74

See Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Millions

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
NET INCOME	\$345	\$212	\$931	\$598
Other Comprehensive Income (Loss), net of tax				
Unrealized Gains (Losses) on Available-for-Sale Securities, net of tax (expense) benefit of \$15, \$(9), \$2 and \$(12) for the three and six months ended 2015 and 2014, respectively	(15	) 11	(1	) 13
Unrealized Gains (Losses) on Cash Flow Hedges, net of tax (expense) benefit of \$0, \$0, \$7, and \$(2) for the three and six months ended 2015 and 2014, respectively	—	1	(9	) 3
Pension/Other Postretirement Benefit Costs (OPEB) adjustment, net of tax (expense) benefit of \$(6), \$(1), \$(12) and \$(3) for three and six months ended 2015 and 2014, respectively	8	2	16	6
Other Comprehensive Income (Loss), net of tax	(7	) 14	6	22
COMPREHENSIVE INCOME	\$338	\$226	\$937	\$620

See Notes to Condensed Consolidated Financial Statements.

table of contentsPUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS

Millions

(Unaudited)

	June 30, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$597	\$402
Accounts Receivable, net of allowances of \$60 and \$52 in 2015 and 2014, respectively	1,126	1,254
Tax Receivable	23	211
Unbilled Revenues	247	284
Fuel	358	538
Materials and Supplies, net	466	484
Prepayments	272	108
Derivative Contracts	155	240
Deferred Income Taxes	—	11
Regulatory Assets	235	323
Regulatory Assets of Variable Interest Entities (VIEs)	123	249
Other	25	15
Total Current Assets	3,627	4,119
PROPERTY, PLANT AND EQUIPMENT	33,603	32,196
Less: Accumulated Depreciation and Amortization	(8,796	) (8,607
Net Property, Plant and Equipment	24,807	23,589
NONCURRENT ASSETS		
Regulatory Assets	3,170	3,192
Long-Term Investments	1,273	1,307
Nuclear Decommissioning Trust (NDT) Fund	1,792	1,780
Long-Term Tax Receivable	165	64
Long-Term Receivable of VIE	602	580
Other Special Funds	234	212
Goodwill	16	16
Other Intangibles	101	84
Derivative Contracts	107	77
Restricted Cash of VIEs	25	24
Other	293	289
Total Noncurrent Assets	7,778	7,625
TOTAL ASSETS	\$36,212	\$35,333

See Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

Millions

(Unaudited)

	June 30, 2015	December 31, 2014
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES		
Long-Term Debt Due Within One Year	\$491	\$624
Securitization Debt of VIEs Due Within One Year	134	259
Accounts Payable	1,156	1,178
Derivative Contracts	72	132
Accrued Interest	96	95
Accrued Taxes	148	21
Deferred Income Taxes	14	173
Clean Energy Program	200	142
Obligation to Return Cash Collateral	128	121
Regulatory Liabilities	143	186
Other	525	547
Total Current Liabilities	3,107	3,478
NONCURRENT LIABILITIES		
Deferred Income Taxes and Investment Tax Credits (ITC)	7,578	7,303
Regulatory Liabilities	176	258
Regulatory Liabilities of VIEs	47	39
Asset Retirement Obligations	765	743
Other Postretirement Benefit (OPEB) Costs	1,254	1,277
OPEB Costs of Servco	471	452
Accrued Pension Costs	392	440
Accrued Pension Costs of Servco	128	126
Clean Energy Program	27	—
Environmental Costs	421	417
Derivative Contracts	24	33
Long-Term Accrued Taxes	282	208
Other	143	112
Total Noncurrent Liabilities	11,708	11,408
COMMITMENTS AND CONTINGENT LIABILITIES (See Note 8)		
CAPITALIZATION		
LONG-TERM DEBT		
Total Long-Term Debt	8,689	8,261
STOCKHOLDERS' EQUITY		
Common Stock, no par, authorized 1,000,000,000 shares; issued, 2015 and 2014—533,556,660 shares	4,883	4,876
Treasury Stock, at cost, 2015— 27,743,506 shares; 2014— 27,720,068 shares	(663	) (635
Retained Earnings	8,764	8,227
Accumulated Other Comprehensive Loss	(277) (283

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Total Common Stockholders' Equity	12,707	12,185
Noncontrolling Interest	1	1
Total Stockholders' Equity	12,708	12,186
Total Capitalization	21,397	20,447
TOTAL LIABILITIES AND CAPITALIZATION	\$36,212	\$35,333

See Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions

(Unaudited)

	Six Months Ended	
	June 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$931	\$598
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	647	601
Amortization of Nuclear Fuel	106	98
Provision for Deferred Income Taxes (Other than Leases) and ITC	170	70
Non-Cash Employee Benefit Plan Costs	81	24
Leveraged Lease Income, Adjusted for Rents Received and Deferred Taxes	(22)	(44)
Net Realized and Unrealized (Gains) Losses on Energy Contracts and Other Derivatives	(9)	297
Change in Accrued Storm Costs	15	(3)
Net Change in Other Regulatory Assets and Liabilities	(53)	192
Cost of Removal	(58)	(50)
Net Realized (Gains) Losses and (Income) Expense from NDT Fund	(21)	(59)
Net Change in Certain Current Assets and Liabilities:		
Tax Receivable	188	9
Accrued Taxes	71	54
Margin Deposit	69	(234)
Other Current Assets and Liabilities	98	(116)
Employee Benefit Plan Funding and Related Payments	(67)	(50)
Other	88	61
Net Cash Provided By (Used In) Operating Activities	2,234	1,448
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property, Plant and Equipment	(1,743)	(1,229)
Proceeds from Sales of Capital Leases and Investments	5	11
Proceeds from Sales of Available-for-Sale Securities	885	584
Investments in Available-for-Sale Securities	(918)	(599)
Other	(2)	(49)
Net Cash Provided By (Used In) Investing Activities	(1,773)	(1,282)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Change in Commercial Paper and Loans	—	(60)
Issuance of Long-Term Debt	600	500
Redemption of Long-Term Debt	(300)	—
Redemption of Securitization Debt	(125)	(111)
Cash Dividends Paid on Common Stock	(394)	(374)
Other	(47)	(44)
Net Cash Provided By (Used In) Financing Activities	(266)	(89)
Net Increase (Decrease) in Cash and Cash Equivalents	195	77

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Cash and Cash Equivalents at Beginning of Period	402	493
Cash and Cash Equivalents at End of Period	\$597	\$570
Supplemental Disclosure of Cash Flow Information:		
Income Taxes Paid (Received)	\$184	\$296
Interest Paid, Net of Amounts Capitalized	\$195	\$192
Accrued Property, Plant and Equipment Expenditures	\$324	\$240

See Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Millions

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
OPERATING REVENUES	\$1,466	\$1,435	\$3,468	\$3,580
OPERATING EXPENSES				
Energy Costs	544	565	1,436	1,610
Operation and Maintenance	368	362	780	824
Depreciation and Amortization	234	217	481	444
Total Operating Expenses	1,146	1,144	2,697	2,878
OPERATING INCOME	320	291	771	702
Other Income	19	14	37	28
Other Deductions	(1	) (1	) (2	) (1
Interest Expense	(67	) (67	) (136	) (135
INCOME BEFORE INCOME TAXES	271	237	670	594
Income Tax Expense	(104	) (86	) (261	) (229
EARNINGS AVAILABLE TO PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED	\$167	\$151	\$409	\$365

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Millions

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
NET INCOME	\$167	\$151	\$409	\$365
Unrealized Gains (Losses) on Available-for-Sale Securities, net of tax (expense) benefit of \$0 for the three and six months ended 2015 and 2014, respectively	(1	) —	(1) —
COMPREHENSIVE INCOME	\$166	\$151	\$408	\$365

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

Millions

(Unaudited)

	June 30, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 166	\$ 310
Accounts Receivable, net of allowances of \$60 and \$52 in 2015 and 2014, respectively	848	864
Accounts Receivable-Affiliated Companies	52	274
Unbilled Revenues	247	284
Materials and Supplies	143	133
Prepayments	204	42
Regulatory Assets	235	323
Regulatory Assets of VIEs	123	249
Derivative Contracts	5	18
Deferred Income Taxes	—	24
Other	7	7
Total Current Assets	2,030	2,528
PROPERTY, PLANT AND EQUIPMENT	22,274	21,103
Less: Accumulated Depreciation and Amortization	(5,336	) (5,183
Net Property, Plant and Equipment	16,938	15,920
NONCURRENT ASSETS		
Regulatory Assets	3,170	3,192
Long-Term Investments	346	348
Other Special Funds	54	53
Derivative Contracts	—	8
Restricted Cash of VIEs	25	24
Other	158	150
Total Noncurrent Assets	3,753	3,775
TOTAL ASSETS	\$22,721	\$22,223

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

table of contentsPUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

Millions

(Unaudited)

	June 30, 2015	December 31, 2014
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES		
Long-Term Debt Due Within One Year	\$171	\$300
Securitization Debt of VIEs Due Within One Year	134	259
Accounts Payable	612	574
Accounts Payable—Affiliated Companies	215	379
Accrued Interest	68	68
Clean Energy Program	200	142
Deferred Income Taxes	13	165
Obligation to Return Cash Collateral	128	121
Regulatory Liabilities	143	186
Other	358	381
Total Current Liabilities	2,042	2,575
NONCURRENT LIABILITIES		
Deferred Income Taxes and ITC	4,810	4,575
Other Postretirement Benefit (OPEB) Costs	936	967
Accrued Pension Costs	144	173
Regulatory Liabilities	176	258
Regulatory Liabilities of VIEs	47	39
Clean Energy Program	27	—
Environmental Costs	370	364
Asset Retirement Obligations	299	290
Long-Term Accrued Taxes	161	116
Other	74	67
Total Noncurrent Liabilities	7,044	6,849
COMMITMENTS AND CONTINGENT LIABILITIES (See Note 8)		
CAPITALIZATION		
LONG-TERM DEBT		
Total Long-Term Debt	6,440	6,012
STOCKHOLDER'S EQUITY		
Common Stock; 150,000,000 shares authorized; issued and outstanding, 2015 and 2014—132,450,344 shares	892	892
Contributed Capital	695	695
Basis Adjustment	986	986
Retained Earnings	4,621	4,212
Accumulated Other Comprehensive Income	1	2
Total Stockholder's Equity	7,195	6,787
Total Capitalization	13,635	12,799
TOTAL LIABILITIES AND CAPITALIZATION	\$22,721	\$22,223

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions

(Unaudited)

	Six Months Ended	
	June 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$409	\$365
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	481	444
Provision for Deferred Income Taxes and ITC	79	73
Non-Cash Employee Benefit Plan Costs	48	13
Cost of Removal	(58)	(50)
Change in Accrued Storm Costs	15	(3)
Net Change in Other Regulatory Assets and Liabilities	(53)	192
Net Change in Certain Current Assets and Liabilities:		
Accounts Receivable and Unbilled Revenues	53	44
Materials and Supplies	(10)	(11)
Prepayments	(162)	(162)
Accounts Payable	48	16
Accounts Receivable/Payable—Affiliated Companies, net	154	(98)
Other Current Assets and Liabilities	(27)	(31)
Employee Benefit Plan Funding and Related Payments	(55)	(44)
Other	(13)	(11)
Net Cash Provided By (Used In) Operating Activities	909	737
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property, Plant and Equipment	(1,230)	(996)
Proceeds from Sales of Available-for-Sale Securities	12	8
Investments in Available-for-Sale Securities	(14)	(6)
Other	12	(1)
Net Cash Provided By (Used In) Investing Activities	(1,220)	(995)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Change in Short-Term Debt	—	(60)
Issuance of Long-Term Debt	600	500
Redemption of Long-Term Debt	(300)	—
Redemption of Securitization Debt	(125)	(111)
Contributed Capital	—	175
Other	(8)	(7)
Net Cash Provided By (Used In) Financing Activities	167	497
Net Increase (Decrease) In Cash and Cash Equivalents	(144)	239
Cash and Cash Equivalents at Beginning of Period	310	18
Cash and Cash Equivalents at End of Period	\$166	\$257
Supplemental Disclosure of Cash Flow Information:		

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Income Taxes Paid (Received)	\$(74) \$102
Interest Paid, Net of Amounts Capitalized	\$131	\$127
Accrued Property, Plant and Equipment Expenditures	\$282	\$192

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

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PSEG POWER LLC
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 Millions
 (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
OPERATING REVENUES	\$1,025	\$986	\$2,750	\$2,686
OPERATING EXPENSES				
Energy Costs	409	520	1,302	1,564
Operation and Maintenance	313	327	485	629
Depreciation and Amortization	75	72	151	144
Total Operating Expenses	797	919	1,938	2,337
OPERATING INCOME	228	67	812	349
Income from Equity Method Investments	5	3	8	7
Other Income	55	46	84	79
Other Deductions	(7	) (9	) (18	) (19
Other-Than-Temporary Impairments	(10	) (2	) (15	) (4
Interest Expense	(33	) (29	) (64	) (61
INCOME BEFORE INCOME TAXES	238	76	807	351
Income Tax Expense	(72	) (22	) (306	) (133
EARNINGS AVAILABLE TO PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED	\$166	\$54	\$501	\$218

See disclosures regarding PSEG Power LLC included in the Notes to Condensed Consolidated Financial Statements.

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PSEG POWER LLC
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 Millions
 (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
NET INCOME	\$166	\$54	\$501	\$218
Other Comprehensive Income (Loss), net of tax				
Unrealized Gains (Losses) on Available-for-Sale Securities, net of tax (expense) benefit of \$14, \$(9), \$1 and \$(11) for the three and six months ended 2015 and 2014, respectively	(14	) 9	—	11
Unrealized Gains (Losses) on Cash Flow Hedges, net of tax (expense) benefit of \$0, \$(1), \$7 and \$(2) for the three and six months ended 2015 and 2014, respectively	—	2	(9	) 3
Pension/OPEB adjustment, net of tax (expense) benefit of \$(5), \$(1), \$(10) and \$(3) for the three and six months ended 2015 and 2014, respectively	7	2	14	5
Other Comprehensive Income (Loss), net of tax	(7	) 13	5	19
COMPREHENSIVE INCOME	\$159	\$67	\$506	\$237

See disclosures regarding PSEG Power LLC included in the Notes to Condensed Consolidated Financial Statements.

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PSEG POWER LLC
 CONDENSED CONSOLIDATED BALANCE SHEETS
 Millions
 (Unaudited)

	June 30, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$12	\$9
Accounts Receivable	235	334
Accounts Receivable—Affiliated Companies	158	313
Tax Receivable	3	3
Short-Term Loan to Affiliate	950	584
Fuel	358	538
Materials and Supplies, net	321	350
Derivative Contracts	139	207
Prepayments	22	17
Other	13	4
Total Current Assets	2,211	2,359
PROPERTY, PLANT AND EQUIPMENT	10,942	10,732
Less: Accumulated Depreciation and Amortization	(3,235)	(3,217)
Net Property, Plant and Equipment	7,707	7,515
NONCURRENT ASSETS		
Nuclear Decommissioning Trust (NDT) Fund	1,792	1,780
Long-Term Investments	116	121
Goodwill	16	16
Other Intangibles	101	84
Other Special Funds	57	49
Derivative Contracts	103	62
Other	63	60
Total Noncurrent Assets	2,248	2,172
TOTAL ASSETS	\$12,166	\$12,046

See disclosures regarding PSEG Power LLC included in the Notes to Condensed Consolidated Financial Statements.

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PSEG POWER LLC
CONDENSED CONSOLIDATED BALANCE SHEETS
Millions
(Unaudited)

	June 30, 2015	December 31, 2014
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Long-Term Debt Due Within One Year	\$ 300	\$ 300
Accounts Payable	387	424