



## **PSEG Overview**

PSEG, a diversified energy holding company with over \$29 billion in assets, is one of the nation's leading wholesale energy producers and most reliable transmission and delivery organizations.

### **Special Notice**

Due to the proposed merger with Exelon, there will be no annual meeting in the spring, as in the past. You will be notified if a meeting is necessary later in the year.

## 2005 Financial Highlights

While the forward looking statements about PSEG's expectations made throughout this report are based on information currently available and on reasonable assumptions, actual results could be materially different. Historical results are not necessarily indicative of future earnings.

For more information, please refer to PSEG reports that are filed periodically with the Securities and Exchange Commission.

Dollars in millions, where applicable	2005	2004	% Change
Total Revenues	\$ 12,430	\$ 10,800	15
Income from Continuing Operations	\$ 858	\$ 770	11
Pro Forma Operating Earnings (Non-GAAP)	\$ 890	\$ 774	15
Net Income	\$ 661	\$ 726	(9)
Earnings Per Share-Diluted			
Income from Continuing Operations	\$ 3.51	\$ 3.23	9
Pro Forma Operating Earnings (Non-GAAP)	\$ 3.65	\$ 3.24	13
Net Income	\$ 2.71	\$ 3.05	(11)
Weighted average common stock shares outstanding—(thousands)			
Diluted	244,406	238,286	3
Dividends Paid per Share	\$ 2.24	\$ 2.20	2
Book Value per Share - Year-end	\$ 23.98	\$ 24.12	(1)
Market Price per Share - Year-end	\$ 64.97	\$ 51.77	25
Total Assets	\$ 29,815	\$ 29,260	2

Note: Pro Forma Operating Earnings exclude after-tax merger-related costs of \$32 million, or \$0.14 per share, in 2005 and \$4 million, or \$0.01 per share, in 2004. PSEG believes that the non-GAAP financial measure of "Operating Earnings" provides a consistent and comparable measure of performance of its businesses to help shareholders understand performance trends.

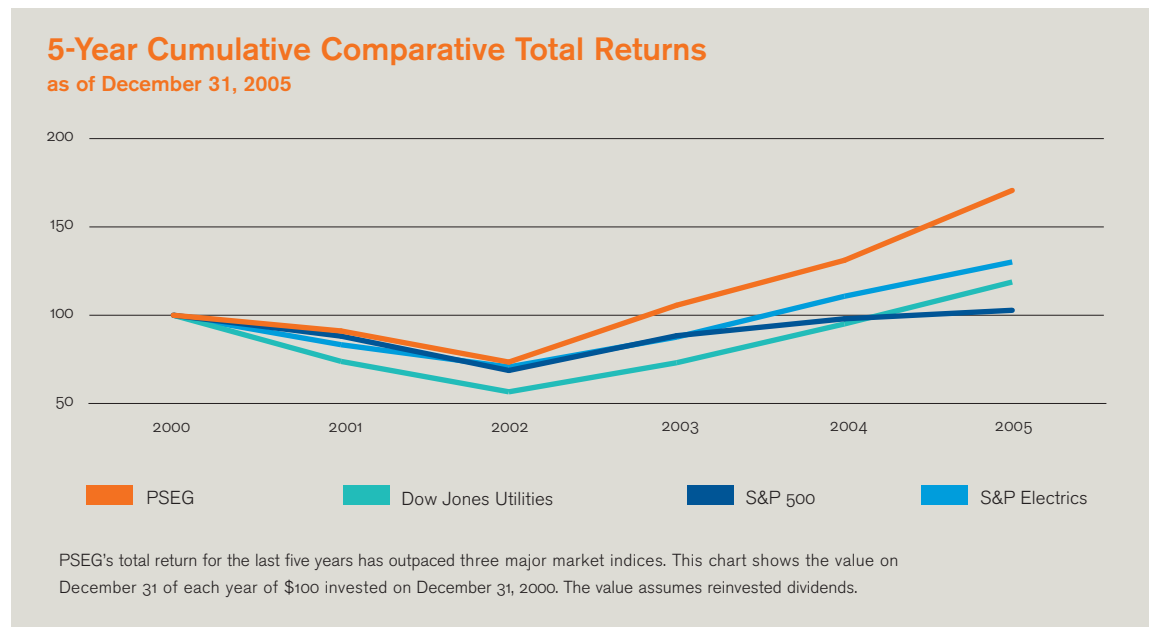


**E. James Ferland**  
Chairman of the Board,  
President and Chief Executive Officer  
Public Service Enterprise Group

**Dear Shareholder:** I am pleased to report that 2005 was a year of outstanding accomplishment for your company.

We generated solid earnings and cash flow, improved operations at our nuclear stations in southern New Jersey, won recognition as America's most reliable electric utility and made significant progress toward completing our historic merger with Exelon Corporation. PSEG and Exelon shareholders approved the merger in July, each casting more than 97 percent of their votes in favor of the transaction. We expect the merger to close in the third quarter of 2006 after we get the remaining regulatory approvals.

In addition to the strong results achieved in 2005, we have a very positive multi-year financial outlook based on current and anticipated levels of operational performance in this period of high energy prices. Moreover, the future looks even brighter in combination with Exelon.





America's Most Reliable: PSE&G won the prestigious ReliabilityOne™ National Achievement Award in 2005 for reliability leadership among more than 120 electric utilities evaluated coast to coast.

Our long-term emphasis on creating shareholder value again benefited investors:

- In 2005, PSEG achieved a total shareholder return of approximately 30 percent, outpacing major national and industry indices by a wide margin.
- Our performance continues to compare favorably with the same indices over a longer period: We delivered a total shareholder return of more than 70 percent for the five years ending December 31, 2005.

Dividends continued to be a key way we reward our shareholders: 2005 marked the 98th consecutive year that PSEG paid annual dividends. We again increased our dividend modestly in 2005, raising it from an annual rate of \$2.20 to \$2.24 per share. Our Board of Directors recently approved a further one-cent increase in the quarterly dividend, raising the annual indicated dividend rate to \$2.28 per share. Looking ahead, the merger agreement provides that our shareholders will be kept whole with respect to the dividend payout.

Operating earnings, which exclude merger-related costs, were \$3.65 per share in 2005, well above 2004 operating earnings of \$3.24 per share. All of our businesses performed well.

2005 was marked by dramatic changes in the natural gas and electricity markets. In particular, natural gas prices more than doubled in 2005, leading to unavoidable increases in gas supply costs which we strove to minimize on behalf of our New Jersey utility customers. Twice during the year we had to pass on these increases, even as we continued working to hold the line on them.

#### **PSEG Power: Improved Operations**

While higher natural gas prices affected all purchasers of fuel, including our company, we are fortunate in having

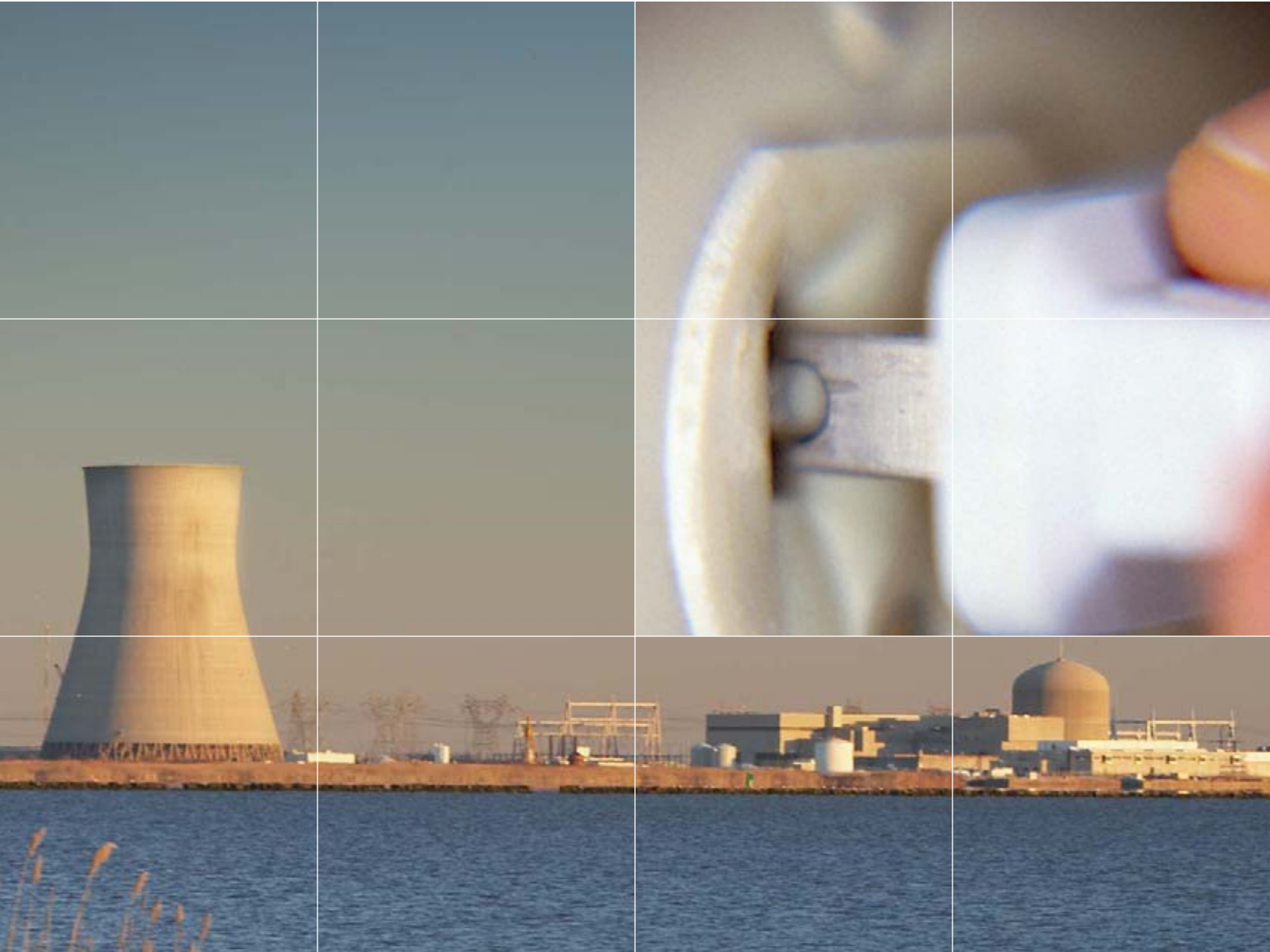
a large domestic generation business whose electric output mostly comes from low-cost nuclear and coal units. This business, PSEG Power, benefited significantly in 2005 from improved operations in this environment of higher-trending electric prices. PSEG Power's five nuclear units achieved a combined capacity factor of 90 percent in 2005, compared to 82 percent in 2004, and its coal units improved year-over-year availability by nine percent.

The improvements at our Hope Creek and Salem nuclear stations are an especially encouraging and important development. This progress owes much to our collaboration with Exelon, which since January 2005 has been managing the stations under a nuclear operating services agreement. Exelon owns and operates the nation's largest nuclear fleet. Its expertise and depth of resources in nuclear operations are producing substantial benefits at Hope Creek and Salem.

#### **Milestones in Nuclear Progress**

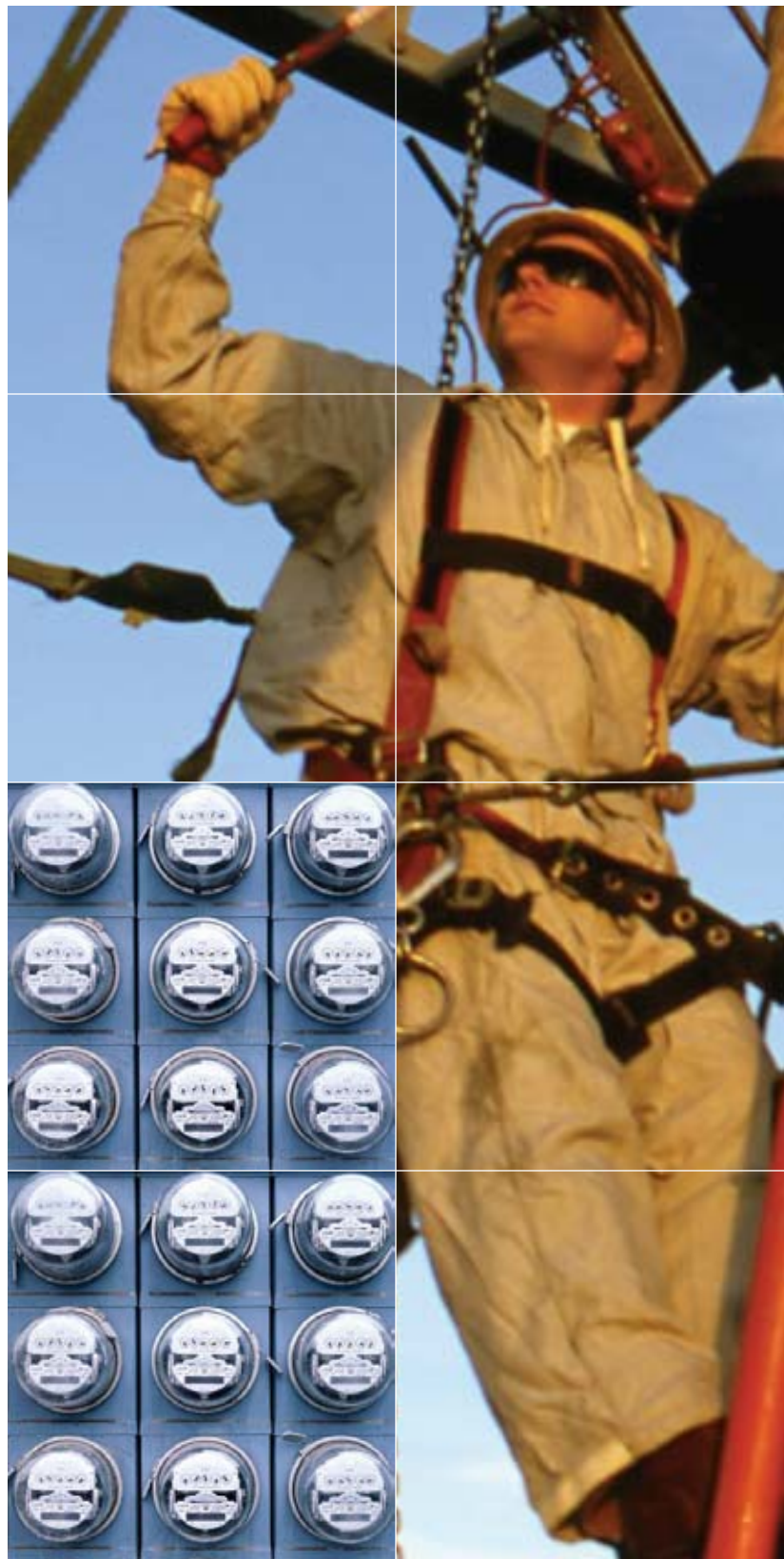
A number of milestones marked our nuclear progress in 2005:

- We improved operations by many performance measures, with continued attention to safety as our number-one priority. The Hope Creek and Salem stations generated more electricity in 2005 than in any other year in their history.
- We executed planned-refueling outages at our Salem units – both involving reactor head replacements – and set new records for ourselves and the industry. In the spring Salem Unit 2 completed its best-ever refueling outage in 35 days. Applying lessons learned in achieving this positive outcome, Salem 1 completed its fall outage in 25 days and 6 hours – a new world record for a reactor head replacement outage.
- We achieved long, successful runs: Both Salem units were simultaneously online for 152 days prior to the fall outage at Salem Unit 1.



The Benefits of Nuclear Generation: **Low-cost nuclear generation is an important part of PSEG's business, while serving the public's need for safe, clean and affordable energy.**

Meeting New Jersey's Energy Needs:  
PSE&G's energy infrastructure plays a vital role in supporting New Jersey's economy and quality of life. Its electric distribution network serves more than 2 million customers across the state.



Our fossil stations also improved their performance in 2005, generating nine percent more megawatt-hours of electricity than in the prior year. Their performance was especially critical in meeting demand during a summer of record-breaking heat in the Northeast.

In 2005 PSEG Power completed and brought into commercial operation a new generating facility, the Bethlehem Energy Center (BEC) near Albany, New York. This 750-megawatt gas-fired facility replaced an older oil-fired steam station we acquired in 2000. BEC uses state-of-the-art, combined-cycle technology to produce energy far more efficiently than the older station, while dramatically reducing emissions and the use of Hudson River water for cooling. The new plant not only reflects our strong and continuing environmental commitment, but demonstrates how economic and environmental progress can go together.

### **PSE&G: The Nation's Reliability Leader**

PSE&G, New Jersey's largest utility and one of the largest electric and gas utilities in the nation, remained a mainstay of our business and a key source of solid, dependable earnings. Perennially a top-tier industry performer, PSE&G was recognized for superior electric reliability in its region for the fourth consecutive year in 2005. In addition, reflecting an even higher level of excellence, PSE&G won the prestigious ReliabilityOne™ National Achievement Award, based on a review of the electric reliability results of more than 120 North American utilities by PA Consulting, a major industry benchmarking firm.

In being honored as the national reliability leader, PSE&G was recognized for continuously reducing the number and duration of outages, using innovative

technology and making necessary investments in its electric delivery system. I commend our employees for this stellar accomplishment, which speaks volumes about their skills, teamwork and continued dedication to the highest standards of performance.

Once again in 2005, PSE&G employees provided countless examples of reliability in action in all types of weather and conditions. Their response was outstanding during the week of July 25, when extreme heat and humidity pushed the demand for electric power to new record-breaking peaks in our New Jersey service territory. They were equally up to the test during mid-January's blizzard and frigid temperatures when we had near all-time peak gas usage.

### **An Active Tradition of Caring**

There were also many outstanding examples in 2005, as in past years, of PSE&G employees helping people in times of emergency and special need. PSE&G employee volunteer crews joined in the vast recovery effort in the aftermath of Katrina, Rita and other storms that devastated America's gulf region. Their restoration work gave aid, comfort and hope to thousands of people in rebuilding lives and communities.

Safety-first work practices are an absolute priority at our company as well as a necessity in the utility industry. On a disappointing note, our safety record in 2005 was not as good as in 2004 when employees enjoyed their safest year in our company's 102-year history. Tragically, we had an employee fatality in 2005, the first in nine years. We have reinvigorated our dedication to safety and expect to resume in 2006 the substantial improvement in safety that employees made over the last decade, during which they reduced the number and frequency of accidents by two-thirds.

A Century of Progress: **PSEG's success for more than a century has been built on providing safe, reliable energy to benefit customers, investors and the wider public. The company's generation fleet is among the largest in America's Northeast.**

**A Robust Delivery System**

PSE&G continued to invest in infrastructure improvements across its pipes-and-wires network, which plays a critical role in supporting New Jersey's economy and quality of life. In 2005, PSE&G completed and placed into service a new, third bank of transformers at the Branchburg switching station, an important transmission hub in central New Jersey. The additional bank of transformers boosted the station's capacity by 950 megawatts, to 2,150 megawatts, allowing greater transfers of electric power while improving reliability.

Our gas delivery base rates have been stable for the past four years, during which we invested more than \$685 million in technology and infrastructure improvements. In light of these large and necessary outlays, PSE&G filed in September 2005 for a rate increase

of \$133 million, or 3.8 percent, in gas base rate revenues. We requested this rate relief take effect in June 2006, after this winter's heating season, to ease the impact on our customers.

**A Focus on Affordable Energy**

We continued our best efforts to keep energy costs as low as possible for our New Jersey utility customers. This was no easy task against the backdrop of rising fuel and power prices. As an energy delivery company, PSE&G does not mark up the cost of energy supply provided to its customers. Rather, PSE&G works hard to manage and control these costs, which make up more than two-thirds of the average customer's bill. We have found many opportunities to hedge against potential price run-ups by purchasing gas and storing more of it in off-peak periods. While natural gas prices increased



significantly, our gas supply charges remained the lowest of any utility in New Jersey.

New Jersey's Basic Generation Service (BGS) auctions have also helped keep electric supply costs lower than they would otherwise be. Established four years ago, the BGS auctions have provided a highly effective mechanism for New Jersey's electric utilities to acquire electricity on behalf of their customers. The auctions have attracted healthy competition among suppliers. They have also dampened price volatility by providing staggered three-year contracts, under which only a portion of the New Jersey load is bid each year.

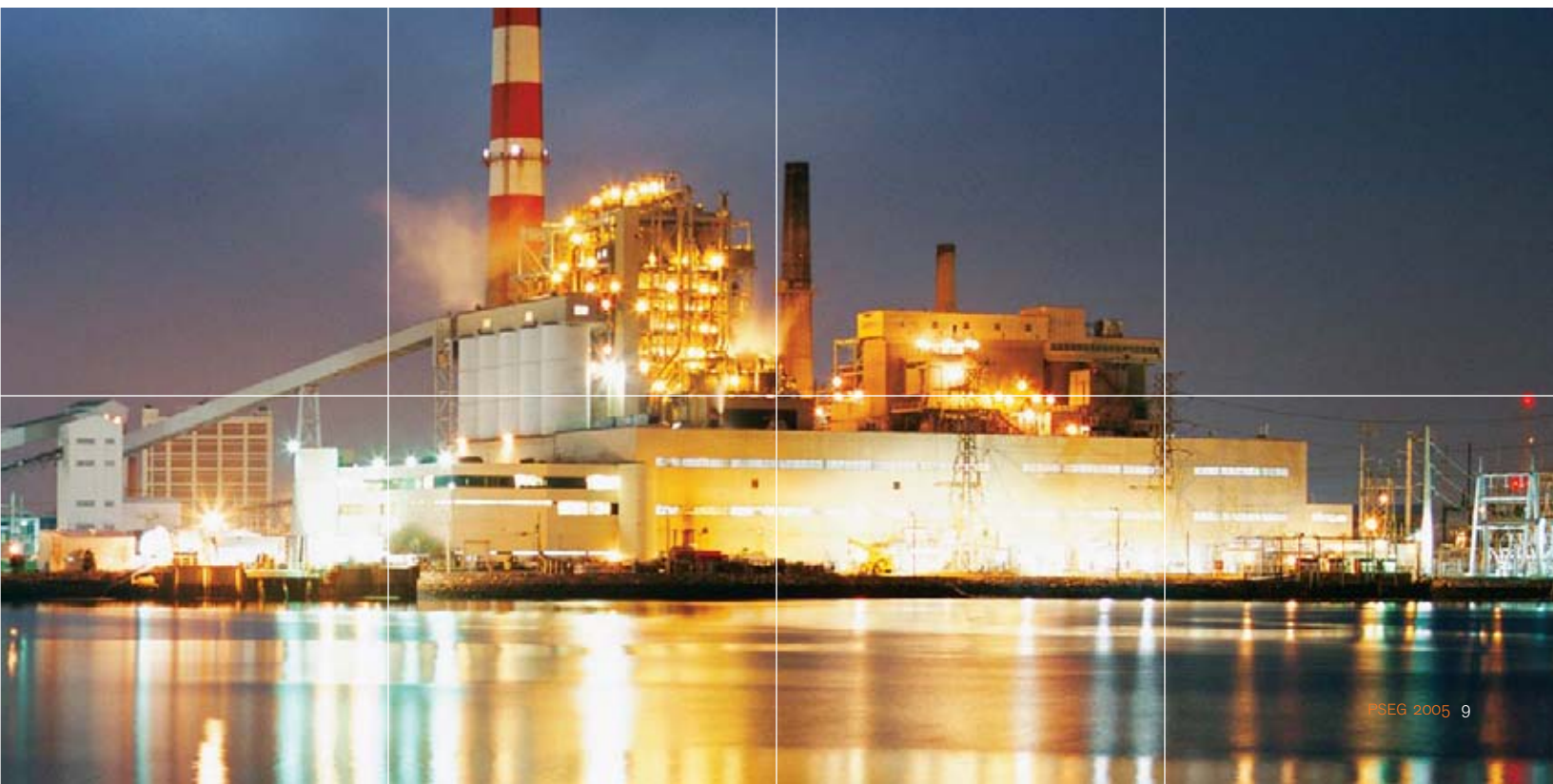
Despite these and other constructive steps, higher energy prices were a fact of life in 2005, reflecting national and international developments. We continued

to work on many fronts to help customers cope with the situation, including through special assistance programs for low-income customers.

### **PSEG Energy Holdings: Its Best Year Ever**

PSEG Energy Holdings, our business with both domestic and international components, had its best year ever in 2005, delivering earnings well above plan. Its operational arm, PSEG Global, enjoyed a fine performance from its diverse portfolio of generation and distribution facilities. An important earnings contribution in 2005 was made by PSEG Global's two modern, clean-burning gas-fired power stations in Texas – each with 1,000 megawatts of generating capacity.

PSEG Energy Holdings' strategy has focused on extracting the maximum value from its assets and



selectively monetizing investments when it makes good business sense. In keeping with this strategy, PSEG Resources – the passive investment arm of PSEG Energy Holdings – concluded an agreement in December 2005 to sell its interest in the coal-fired Seminole Generation Unit 2 in Florida. This sale resulted in an after-tax gain of approximately \$43 million. It also produced significant cash proceeds, which we used along with cash generated from PSEG Global to reduce debt and further enhance PSEG Energy Holdings' financial position.

We are continuing with our program of reducing exposure to international markets when attractive opportunities are available. In January 2006, PSEG Global reached an agreement to sell its interests in the Skawina and Elcho power plants in Poland. The sale is expected to generate net cash proceeds of about \$300 million, an amount in excess of book value.

### **A Bright Outlook for PSEG**

Looking ahead, our expectations for improving earnings are driven largely by our cost-effective nuclear and coal units in the current high commodity price environment. These units represent more than 80 percent of PSEG Power's expected annual output and an even larger portion of its profitability. Their economics have become even more favorable compared to higher-cost natural gas units, which often set the price of electricity. Moreover, PSEG Power has already termed up at attractive prices most of its expected 2006 nuclear and coal generation output, and has increased the volume of its contracted generation through 2007 and 2008.

Based largely on PSEG Power's fundamentally strong position, we expect a continuation of our company's robust earnings performance in 2006. Longer term,

we expect earnings growth at PSEG to be in excess of ten percent in 2007 and 2008. This reflects realistic assumptions, including that PSEG Power's fleet continues to operate well and that PSE&G obtains reasonable outcomes in its regulatory proceedings.

### **An Even Brighter Future with Exelon**

While our outlook remains bright as a stand-alone company, we have a unique opportunity to create an even stronger platform for long-term success by combining with Exelon.

The strategic reasons for the merger remain compelling. The closing of the merger will provide PSEG with asset, geographic and regulatory diversification; scale in the merchant generation business; and the ability to achieve excellent nuclear performance on a par with that of large nuclear fleet operators such as Exelon.

Risk reduction is a particularly important objective of the merger. The new combined company will have utilities in three major metropolitan areas and an electric generating fleet across a multi-state region. This larger footprint will reduce the concentration of risks we face as a company operating one U.S. utility within a single state and relying on a relatively small number of power plants for most of our generation revenues.

The completion of the merger will also substantially reduce execution risk as we work to sustain and further strengthen the improvements in our nuclear performance. It will enable us to integrate our nuclear operations with Exelon's. This will be an important step – indeed, a key one – toward achieving nuclear excellence.

The improved long-term nuclear performance we expect as a result of the merger should significantly



A Big Job in All Seasons: PSE&G has continued to make large investments in its gas distribution network to ensure a high level of reliability for more than 1.6 million customers in New Jersey.

Dedication to Community: PSEG and its employees have remained deeply engaged in supporting charitable and civic endeavors in New Jersey. Exelon has a similarly strong, active commitment to the communities it serves.



benefit New Jersey utility customers by producing more low-cost energy and thereby lowering wholesale electric prices. Nuclear power is unrivaled as a safe and abundant source of low-cost, emissions-free energy. It currently meets approximately 50 percent of New Jersey's electricity needs. The merger provides the right framework for producing even more of this affordable energy, safely and reliably, to benefit the people and economy of New Jersey and neighboring areas.

The merger has additional strategic benefits, including:

- Expected cost savings flowing to both customers and shareholders;
- The sharing of best practices between the companies to improve operations; and
- Access to a larger pool of talented individuals as well as greater advancement opportunities for our current workforce.

### **Concluding the Merger**

Anticipation of the merger's closing has already created substantial shareholder value, as we work our way through the regulatory approvals required before we close.

We have passed a number of important milestones on the path to completing the merger, including approval by the Federal Energy Regulatory Commission, shareholder endorsements by overwhelmingly favorable margins, and approval by the Pennsylvania Public Utility Commission.

We expect to complete all regulatory reviews and close the merger in the third quarter of 2006, although the merger could close earlier if a settlement is reached and accepted by the New Jersey Board of Public Utilities. Both PSEG and Exelon continue to look forward to a timely completion of the merger.

### **Our Strong Commitments**

Far from ending our company's fine traditions, the merger will provide a stronger base for continuing them. PSEG and Exelon have many things in common: Not only do we have a common view of the industry, but also similar commitments to customers and communities, to shareholders and employees. Both companies emphasize safe, reliable utility operations. Both have strong records of supporting communities through a wide range of charitable endeavors, as well as promoting economic development and responsible environmental policies.

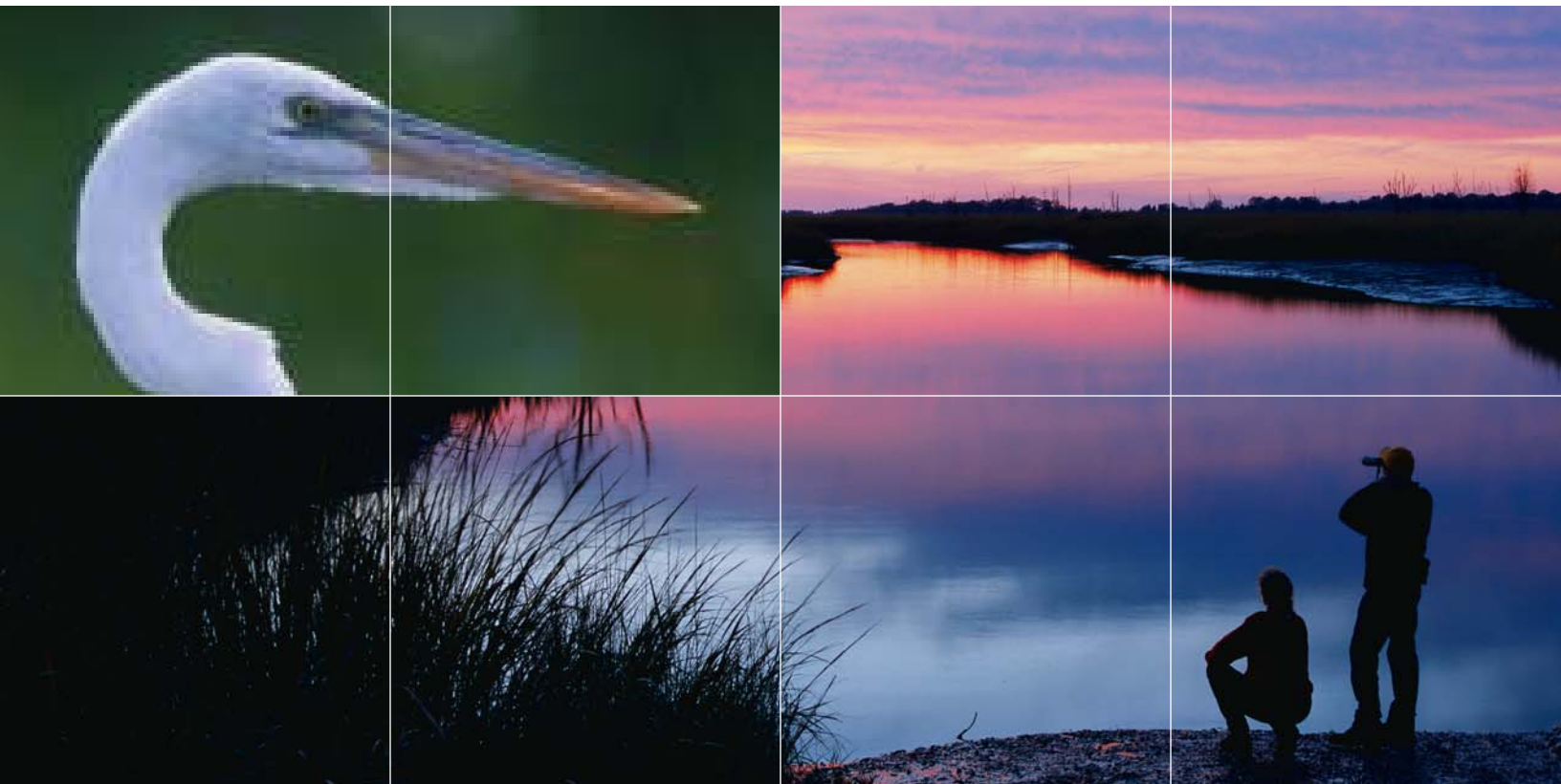
PSE&G's vital role in New Jersey will continue, and its expertise in distribution operations will be a core strength of the new combined company going forward.

Corporate citizenship is deeply embedded in our culture, just as it is in Exelon's. It is backed by the commitment of resources and the active participation of our employees. This will not change with the merger. In fact, as part of a financially stronger company, we will be in an even better position to continue our community support.

Our community involvement in New Jersey deepened in 2005. Backed by the \$5 million commitment of the PSEG Foundation, we are leading a statewide capital campaign for the construction of a pediatric rehabilitation hospital in New Brunswick, New Jersey, to be named the PSE&G Children's Specialized Hospital. The new facility will be part of a premier health-care campus to help ensure the best medical outcomes for children.

Support for education is a key way that we invest in New Jersey's future. PSE&G expanded in 2005 the Energy Utility Technology degree program, a successful workforce development and training initiative that we

Environmental Responsibility: PSEG is a long-time industry leader in supporting responsible environmental policies, including uniform national emissions standards and many initiatives to conserve and protect natural resources and minimize waste.



sponsor in partnership with a number of New Jersey community colleges. The program has provided an important stream of new and diverse talent for our workforce, and helped young people mostly from urban backgrounds get a good start to a promising career in our industry.

PSEG employees continued their long and proud tradition of volunteering for many worthy causes. Thanks to their efforts, PSEG was for the sixth consecutive year the industry leader in raising funds for the March of Dimes to aid the health of infants and mothers.

### **Positioned Well for the Future**

2005 was an important year of transition and accomplishment for your company. The year brought closer into view the new combined company, Exelon Electric & Gas, which should soon be a reality. It will be a company with the potential to be the industry's best.

Even as we continue our work to complete the merger, we recognize the importance of maintaining a viable stand-alone strategy. No merger – even one as compelling as ours with Exelon – can be guaranteed to happen until it actually closes.

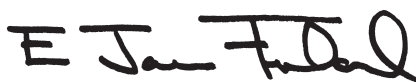
I am confident that your company is well positioned for the future. As demonstrated in 2005, we have a strong, balanced mix of energy businesses anchored by a solid position in the Northeast – with a top-performing utility and a low-cost generation fleet. We have a proven ability to generate solid earnings and cash flow.

In closing, I would also like to pay tribute to your company's most important asset: the 10,000 employees of PSEG, many of whom are also shareholders. In the nearly twenty years since becoming chairman and CEO

of your company, I have never ceased to be impressed by the achievements of my associates. Their performance was exceptional in 2005. Not only did they work tirelessly on behalf of customers and shareholders alike to produce quality results, they also dealt remarkably well with the uncertainty that inevitably accompanies a merger. In their regular jobs and in collaboration with their peers at Exelon to prepare the ground for a new company, they were equally outstanding. I want to thank them for their excellent work.

I hope you are pleased with your investment in PSEG. You can be assured that we will continue striving to enhance shareholder value and warrant your trust and confidence.

Sincerely,



**E. James Ferland**

Chairman of the Board, President and  
Chief Executive Officer

Public Service Enterprise Group

March 3, 2006

## Executive Officers

### **E. James Ferland**

Chairman of the Board, President and Chief Executive Officer; Chairman of the Board and Chief Executive Officer of PSE&G, PSEG Energy Holdings, PSEG Power and PSEG Services

### **Robert E. Busch**

President and Chief Operating Officer of PSEG Services; Senior Vice President—Finance and Chief Financial Officer of PSE&G

### **Frank Cassidy**

President and Chief Operating Officer of PSEG Power

### **Robert J. Dougherty, Jr.**

President and Chief Operating Officer of PSEG Energy Holdings

### **Ralph Izzo**

President and Chief Operating Officer of PSE&G

### **Thomas M. O'Flynn**

Executive Vice President and Chief Financial Officer; Executive Vice President—Finance of PSEG Services; Executive Vice President and Chief Financial Officer of PSEG Power and PSEG Energy Holdings

### **Patricia A. Rado**

Vice President and Controller; Vice President and Controller of PSE&G, PSEG Power, and PSEG Services; Controller of PSEG Energy Holdings

### **R. Edwin Selover**

Senior Vice President and General Counsel; Senior Vice President and General Counsel of PSE&G and PSEG Services

## Board of Directors

**Caroline Dorsa** has been a director since February 2003. Has been Vice President and Treasurer of Merck & Co., Inc. of Whitehouse Station, New Jersey, a global pharmaceutical firm that discovers, develops, manufactures and markets human and animal products, since December 1996. Was Treasurer from January 1994 to November 1996 and Executive Director of the U.S. Human Health Marketing subsidiary of Merck & Co., Inc. from June 1992 to January 1994.

**Ernest H. Drew** has been a director since January 1993. Was Chief Executive Officer of Industries and Technology Group, Westinghouse Electric Corporation, from July 1997 to December 1997. Was a member, Board of Management of Hoechst AG, Frankfurt, Germany, a manufacturer of pharmaceuticals, chemicals, fibers, film, specialties and advanced materials, from January 1995 to June 1997. Was Chairman of the Board and Chief Executive Officer of Hoechst Celanese Corporation of Somerville, New Jersey from May 1994 until January 1995, and was President and Chief Executive Officer from January 1988 to May 1994.

**E. James Ferland** has been a director since July 1986. Has been Chairman of the Board, President and Chief Executive Officer of PSEG since July 1986; Chairman of the Board and Chief Executive Officer of PSE&G since July 1986; Chairman of the Board and Chief Executive Officer of PSEG Energy Holdings since June 1989; Chairman of the Board and Chief Executive Officer of PSEG Power since June 1999; and Chairman of the Board and Chief Executive Officer of PSEG Services since November 1999.

**Albert R. Gamper, Jr.** has been a director since December 2000. Was Chairman of the Board of The CIT Group, Inc. of Livingston, New Jersey, a commercial finance company, from July 2004 until December 2004. Was Chairman of the Board and Chief Executive Officer of The CIT Group, Inc. from September 2003 to July 2004. Was Chairman of the Board, President and Chief Executive Officer of The CIT Group, Inc. from June 2002 to September 2003. Was President and Chief Executive Officer of The CIT Group, Inc. from February 2002 to June 2002. Was President and Chief Executive Officer of Tyco Capital Corporation from June 2001 to February 2002. Was Chairman of the Board, President and Chief Executive Officer of The CIT Group, Inc. from January 2000 to June 2001, and President and Chief Executive Officer of The CIT Group, Inc. from December 1989 to December 1999.

**Conrad K. Harper** has been a director since May 1997. Has been of counsel to the law firm of Simpson Thacher & Bartlett LLP of New York, New York since January 2003. Was a partner in the law firm of Simpson Thacher & Bartlett from October 1996 to December 2002, and from October 1974 to May 1993. Was Legal Adviser, U.S. Department of State, from May 1993 to June 1996.

**William V. Hickey** has been a director since October 2001. Has been President and Chief Executive Officer of Sealed Air Corporation, of Saddle Brook, New Jersey, a manufacturer of food, protective and specialty packaging materials and systems, since March 2000, and its President since 1996. Has served in management positions with increasing levels of responsibility with Sealed Air Corporation since joining the company in 1980.

**Shirley Ann Jackson** has been a director since June 2001. Has been President of Rensselaer Polytechnic Institute since July 1999. Was Chairman of the U.S. Nuclear Regulatory Commission from 1995 to 1999. Was Professor of Theoretical Physics at Rutgers University and concurrently served as a Consultant in semiconductor theory to the former AT&T Bell Laboratories from 1991 to 1995.

**Thomas A. Renyi** has been a director since February 2003. Has been Chairman of the Board and Chief Executive Officer of The Bank of New York Company, Inc., New York, New York, and The Bank of New York, New York, New York, a provider of banking and other financial services to corporations and individuals, since February 1998. Was President and Chief Executive Officer of The Bank of New York Company, Inc. from July 1997 to January 1998 and President of The Bank of New York from March 1992 to June 1997. Was President and Chief Executive Officer of The Bank of New York from January 1996 to January 1998 and President and Chief Operating Officer from December 1994 to December 1995.

**Richard J. Swift** has been a director since December 1994. Has been Chairman of the Financial Accounting Standards Advisory Council since January 2002. Was Chairman of the Board, President and Chief Executive Officer of Foster Wheeler Ltd, of Clinton, New Jersey, a firm providing design, engineering, construction, manufacturing, management, plant operations and environmental services, from April 1994 to October 2001.

## Stockholder Information

### Stock Exchange Listings

New York (PSEG common and preferred, and PSE&G preferred) Trading Symbol: PEG

### Annual Meeting

Due to the proposed merger with Exelon, there will be no meeting in the Spring, as in the past. You will be notified if a meeting is necessary later in the year.

### Stockholder Services

Please include your account number or social security number in any inquiry you may have about stock transfer, dividends, dividend reinvestment, direct deposit, missing or lost certificates, change of address requests, or for any other account specific request.

### Stockholder Services on the Internet

Please visit the PSEG Stockholder Services site:

[pseg.com/stockholder](http://pseg.com/stockholder)

On this site you can get historical stock prices, dividend information, instructions on how to transfer shares, downloadable forms, information on direct deposit, certificate safekeeping, and information on additional stockholder services.

### How to contact Stockholder Services

Toll free: 800-242-0813

(weekdays, 10 a.m.–3:30 p.m. ET)

Fax: 973-824-7056

E-mail: [stkserv@pseg.com](mailto:stkserv@pseg.com)

[pseg.com/stockholder](http://pseg.com/stockholder)

### Mailing address:

Stockholder Services  
PSEG Services Corporation  
P.O. Box 1171  
Newark, NJ 07101-1171

### Security Analysts and Institutional Investors

For information contact:

Director—Investor Relations 973-430-6565

### Transfer Agents

The transfer agents for the common and preferred stocks are:

Stockholder Services  
PSEG Services Corporation  
P.O. Box 1171  
Newark, NJ 07101-1171

### Continental Stock Transfer and Trust Company

17 Battery Place, 8th Floor  
New York, NY 10004

### Enterprise Direct

PSEG offers Enterprise Direct, a stock purchase and dividend reinvestment plan. For additional information, including a plan prospectus and an enrollment form, call or send us an e-mail with your current mailing address.

### Dividends

Dividends on the common stock of PSEG, as declared by the Board of Directors, are generally payable on the last business day of March, June, September and December of each year. Regular quarterly dividends on PSE&G's preferred stock are payable on the last business day of March, June, September and December of each year.

### Direct Deposit of Dividends

No more dividend checks delayed in the mail. No waiting in bank lines. Your quarterly common and preferred stock dividend payments can be deposited electronically to your personal checking or savings account. More information, including instructions and a downloadable form, is available on our website or by contacting us by phone. It's a free service.

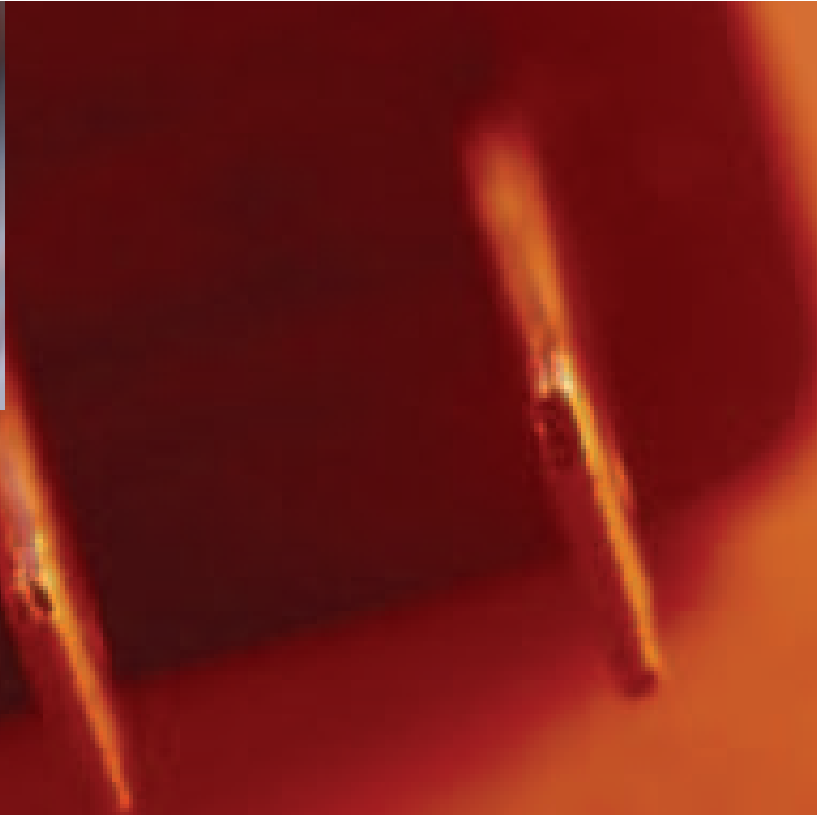
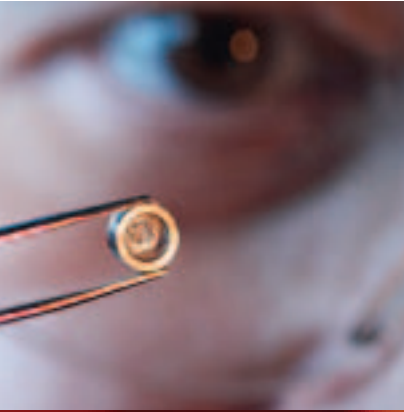
### Deposit of Certificates

To eliminate the risk and cost of loss, shareholders can deposit their certificates with the company and still receive a paid dividend.

### Common Stock—Market Price and Dividend Per Share

	2005			2004		
	high	low	div.	high	low	div.
First Quarter	\$56.23	\$49.32	\$.56	\$47.71	\$42.85	\$.55
Second Quarter	61.66	52.00	.56	47.70	39.66	.55
Third Quarter	68.47	59.09	.56	42.60	38.10	.55
Fourth Quarter	67.58	56.05	.56	52.64	40.55	.55

The number of holders of record of Public Service Enterprise Group Incorporated common shares as of December 31, 2005 was 100,679.



Public Service Enterprise Group Incorporated

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