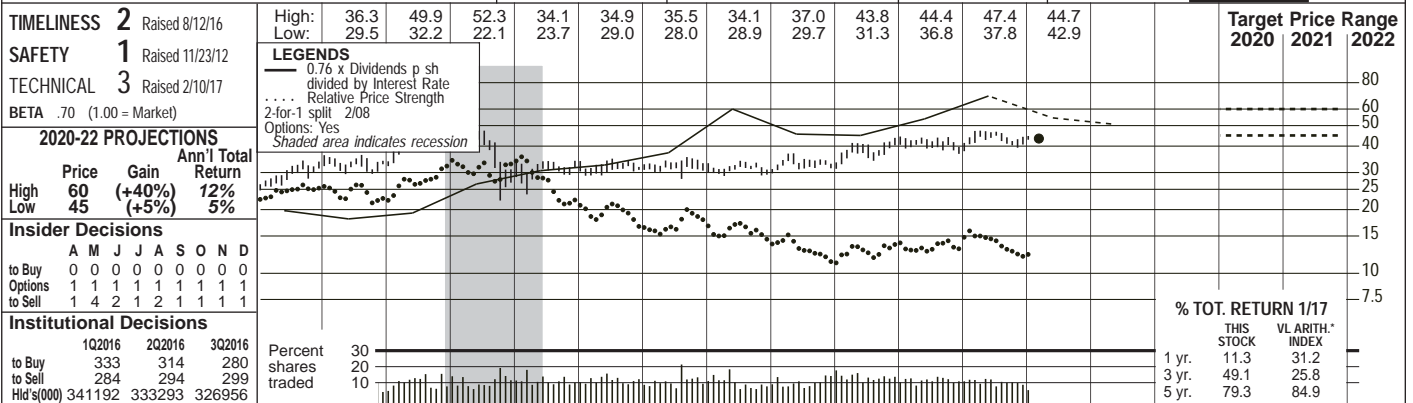


P.S. ENTERPRISE GP. NYSE-PEG

RECENT PRICE **43.45** P/E RATIO **15.2** (Trailing: 15.3; Median: 13.0) RELATIVE P/E RATIO **0.78** DIV'D YLD **4.0%** VALUE LINE



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
23.84	18.62	23.54	23.09	24.74	24.07	25.28	27.94	24.57	23.31	22.42	19.33	19.71	21.52	20.61	18.30	18.60	18.95	Revenues per sh	21.75
3.14	3.01	2.92	3.02	3.42	3.91	4.36	4.68	4.98	5.27	5.36	4.87	5.17	5.82	6.15	5.85	6.15	6.40	"Cash Flow" per sh	7.75
1.85	1.88	1.88	1.52	1.79	1.85	2.59	2.90	3.08	3.07	3.11	2.44	2.45	2.99	3.30	2.75	2.85	2.90	Earnings per sh ^A	3.50
1.08	1.08	1.08	1.10	1.12	1.14	1.17	1.29	1.33	1.37	1.37	1.42	1.44	1.48	1.56	1.64	1.72	1.80	Div'd Decl'd per sh ^{B,†}	2.10
4.99	4.03	2.86	2.64	2.04	2.01	2.65	3.50	3.55	4.27	4.12	5.09	5.56	5.58	7.65	7.30	6.90	6.15	Cap'l Spending per sh	5.25
10.05	8.85	11.71	12.05	11.99	13.35	14.35	15.36	17.37	19.04	20.30	21.31	22.95	24.09	25.86	26.00	26.05	27.20	Book Value per sh ^C	31.25
411.68	450.53	472.27	476.20	502.33	505.29	508.52	506.02	505.99	505.97	505.95	505.89	505.86	505.84	505.28	506.00	506.00	506.00	Common Shs Outst'g ^D	506.00
12.0	10.0	10.6	14.3	16.5	17.8	16.5	13.6	10.0	10.4	10.4	12.8	13.5	12.6	12.4	15.8	15.8	15.8	Avg Ann'l P/E Ratio	15.0
.61	.55	.60	.76	.88	.96	.88	.82	.67	.66	.65	.81	.76	.66	.62	.85	.85	.85	Relative P/E Ratio	.95
4.9%	5.7%	5.4%	5.1%	3.8%	3.5%	2.7%	3.3%	4.3%	4.3%	4.2%	4.6%	4.4%	3.9%	3.8%	3.8%	3.8%	3.8%	Avg Ann'l Div'd Yield	4.0%

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
12853	14139	12431	11793	11343	9781.0	9968.0	10886	10415	9250	9400	9600	Revenues (\$mill)	11000						
1323.0	1477.0	1567.0	1557.0	1577.0	1239.0	1243.0	1518.0	1679.0	1400	1465	1490	Net Profit (\$mill)	1805						
44.5%	45.9%	42.3%	40.5%	40.4%	36.2%	39.5%	38.2%	37.4%	36.5%	37.0%	37.0%	Income Tax Rate	37.0%						
2.7%	3.2%	3.8%	5.5%	2.7%	4.8%	4.6%	4.5%	5.5%	5.0%	5.0%	4.0%	AFUDC % to Net Profit	4.0%						
54.0%	50.5%	46.3%	44.8%	42.1%	38.3%	40.4%	40.4%	40.3%	42.0%	43.5%	44.5%	Long-Term Debt Ratio	47.0%						
45.5%	49.0%	53.2%	55.2%	57.9%	61.7%	59.6%	59.6%	59.7%	58.0%	56.5%	55.5%	Common Equity Ratio	53.0%						
16041	15856	16513	17452	17731	17467	19470	20446	21900	22575	23325	24700	Total Capital (\$mill)	29700						
13275	14433	15440	16390	17849	19736	21645	23589	26539	28400	29750	31150	Net Plant (\$mill)	32900						
10.4%	11.2%	11.0%	10.4%	10.2%	8.1%	7.5%	8.4%	8.6%	7.0%	7.0%	7.0%	Return on Total Cap'l	7.0%						
17.9%	18.8%	17.7%	16.2%	15.4%	11.5%	10.7%	12.5%	12.9%	10.5%	11.0%	11.0%	Return on Shr. Equity	11.5%						
18.1%	19.0%	17.8%	16.2%	15.4%	11.5%	10.7%	12.5%	12.9%	10.5%	11.0%	11.0%	Return on Com Equity ^E	11.5%						
9.9%	10.5%	10.1%	9.0%	8.6%	4.8%	4.4%	6.3%	6.8%	4.5%	4.5%	4.0%	Retained to Com Eq	4.5%						
45%	45%	43%	45%	44%	58%	59%	49%	47%	59%	59%	61%	All Div'ds to Net Prof	59%						

CAPITAL STRUCTURE as of 9/30/16
 Total Debt \$10952 mill. Due in 5 Yrs \$3755 mill.
 LT Debt \$10697 mill. LT Interest \$428 mill.
 (LT interest earned: 7.6x)

Leases, Uncapitalized Annual rentals \$29 mill.

Pension Assets-12/15 \$5039 mill. Oblig \$5522 mill.

Pfd Stock None

Common Stock 505,896,218 shs. as of 10/18/16

MARKET CAP: \$22 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2013	2014	2015
% Change Retail Sales (KWH)	-9	-1.3	+2.4
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH(c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	10414	9474	9595
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	NA	NA	NA

Fixed Charge Cov. (%) 529 635 705

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '13-'15 of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15
Revenues	-1.5%	-4.0%	1.0%
"Cash Flow"	6.0%	3.0%	4.5%
Earnings	5.5%	-5%	2.5%
Dividends	3.0%	2.5%	5.0%
Book Value	7.5%	7.0%	3.5%

QUARTERLY REVENUES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	3223	2249	2641	2773	10886
2015	3135	2314	2688	2278	10415
2016	2616	1905	2450	2279	9250
2017	2700	1950	2500	2250	9400
2018	2750	2000	2550	2300	9600

EARNINGS PER SHARE ^A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.76	.42	.87	.94	2.99
2015	1.15	.68	.87	.60	3.30
2016	.93	.37	.94	.51	2.75
2017	.95	.60	.80	.50	2.85
2018	1.00	.60	.80	.50	2.90

QUARTERLY DIVIDENDS PAID ^{B,†}

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.36	.36	.36	.36	1.44
2014	.37	.37	.37	.37	1.48
2015	.39	.39	.39	.39	1.56
2016	.41	.41	.41	.41	1.64
2017					

BUSINESS: Public Service Enterprise Group Incorporated is a holding company for Public Service Electric and Gas Company (PSE&G), which serves 2.2 million electric and 1.8 million gas customers in New Jersey, and PSEG Power LLC, a nonregulated power generator with nuclear, gas, and coal-fired plants in the Northeast. PSEG Energy Holdings is involved in renewable energy.

Public Service Enterprise Group's utility subsidiary has become the main source of income—and earnings growth — for the company. Several years ago, this was not the case. PSEG's main nonutility subsidiary, PSEG Power, generated the bulk of corporate profits. That was when conditions in the power markets were more favorable for owners of merchant (i.e., noncontracted) generating assets than they are today. PSEG Power has managed well through the downturn, but has not been immune to difficult market conditions. On the other hand, Public Service Electric and Gas' investments in transmission and distribution infrastructure are expanding the utility's rate base. PSE&G has a storm-hardening program that was developed after Hurricane Sandy hit the service area in the fall of 2012. Most of these expenditures are recoverable in rates concurrently, which lessens the effects of regulatory lag. Electric transmission is a key growth area for the utility. The allowed return on equity for transmission is greater than that for distribution. **This is not to say that there is no growth at PSEG Power.** This unit will

The company no longer breaks out data on electric and gas operating statistics. Fuel costs: 31% of revenues. '15 reported depreciation rate (utility): 2.5%. Has 12,700 employees. Chairman, President & Chief Executive Officer: Dr. Ralph Izzo, Inc.: New Jersey. Address: 80 Park Plaza, P.O. Box 1171, Newark, New Jersey 07101-1171. Telephone: 973-430-7000. Internet: www.pseg.com.

spend an estimated \$1.975 billion-\$2.125 billion on three gas-fired facilities (1,780 megawatts in all) in Maryland, New Jersey, and Connecticut. The plants will come on line in 2018 and 2019. **PSE&G received a rate increase at the start of the new year, and another filing will occur at the start of November.** Every year, the utility's transmission business receives rate relief from the Federal Energy Regulatory Commission through a forward-looking formula rate plan. This year's increase is \$121 million. PSE&G will file an electric and gas rate case in November, in which it will seek recovery of costs that aren't subject to regulatory tracking mechanisms. **We think the board of directors raised the dividend shortly after this report went to press.** We estimate a boost of two cents a share (4.9%) quarterly, the same hike as in each of the past two years. **This timely stock is suitable for conservative utility investors.** It has our top rank for Safety. The dividend yield and 3- to 5-year total return potential are each above the utility averages. *Paul E. Debbas, CFA February 17, 2017*

(A) Diluted EPS. Excl. nonrecurr. gain (losses): '02, (\$1.30); '05, (3¢); '06, (35¢); '08, (96¢); '09, 6¢; '11, (34¢); '12, 7¢; '16, (30¢); gains (loss) from disc. ops.: '05, (33¢); '06, 12¢; '07, 3¢; '08, 40¢; '11, 13¢. Next egs. report due late Feb. (B) Div'ds histor. paid in late Mar., June, Sept., and Dec. (C) Div'd reinvestment plan avail. † Shareholder investment plan avail. (D) In mill., adj. for split. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '10: 10.3%; earned on avg. com. eq., '15: 13.2%. Reg. Climate: Avg.

Company's Financial Strength A++
Stock's Price Stability 95
Price Growth Persistence 20
Earnings Predictability 65