

January 13, 2010

PSEG Power Enters Into Agreement to Sell Texas Assets

(January 13, 2011 – Newark, NJ) - PSEG Power, a subsidiary of Public Service Enterprise Group (PSEG) (NYSE:PEG), today announced that it has agreed to the sale of its Texas generating assets. The assets consist of two 1,000 megawatt gas-fired combined cycle generating units that will be sold in two separate transactions. The Odessa facility in west Texas will be sold, pursuant to an asset purchase agreement, to High Plains Diversified Energy Corporation (HPDEC), a municipal utility group based in West Texas. MinnTex Power Holdings LLC (MinnTex), an entity managed by Wayzata Investment Partners LLC, has agreed to acquire 100% of the equity interests in the limited partnership that owns the Guadalupe facility in south Texas.

The transactions have a combined equity value of \$687 million, or \$343 per Kw. There is no debt attached to the assets. "These units are efficient, well-run assets, and there was substantial interest" said Caroline Dorsa, Executive Vice President and Chief Financial Officer of PSEG. Cash received from the sale will be used for general corporate purposes.

PSEG Power will account for the Texas assets as discontinued in 2010. Any gain on the sale will also be reported in Discontinued Operations in 2011. The Texas assets generated 7.3 TWh in 2010. Earnings from discontinued operations in 2010 are expected to be \$0.01 per share. This figure reflects operating earnings from the Texas assets of \$0.03 per share offset by a Mark-to-Market loss of \$0.02 per share.

The sales are expected to close during the first half of 2011 and are subject to customary regulatory approvals. Under the terms of the definitive sales agreement for the Odessa facility, HPDEC will pursue financing to complete the transaction through the sale of municipal bonds. The sale of the Guadalupe facility to MinnTex is not subject to any financing contingencies.

Goldman Sachs acted as exclusive financial advisor to PSEG Power in connection with the transaction.

Public Service Enterprise Group (NYSE:PEG) is a publicly traded diversified energy company with annual revenues of more than \$12 billion, and three principal subsidiaries: PSEG Power, Public Service Electric and Gas Company (PSE&G) and PSEG Energy Holdings.

FORWARD-LOOKING STATEMENT

The statements contained in this communication 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, are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance they will be achieved. There are a number of risks and uncertainties that could cause actual results to differ materially from what may actually occur. A discussion of some of these risks and uncertainties is contained in our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission (SEC). These documents address in further detail our business, industry issues and other factors that could cause actual results to differ materially from those indicated in this communication. Forward looking statements made in this communication only apply as of this date. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even if our internal estimates change, unless otherwise required by applicable securities laws.