

**PSEG**  
**ORGANIZATION AND COMPENSATION COMMITTEE CHARTER**  
**AMENDED AND RESTATED DECEMBER 15, 2009**

Committee Role and Organization

The Organization and Compensation Committee (the “Committee”) of the Board of Directors of Public Service Enterprise Group Incorporated (the “Corporation”) assists the Board in fulfilling its responsibilities relating to compensation of the Corporation’s executive officers and key employees, succession planning and evaluating the performance of the Chief Executive Officer (“CEO”).

The Committee shall have open and free access to information, may require any officer or employee of the Corporation or its subsidiaries to furnish it with information, documents or reports that it deems necessary or desirable to carrying out its business, and is empowered to investigate any matter involving the Corporation or its subsidiaries. The Committee may retain appropriate resources to assist it in discharging its responsibilities.

The Organization and Compensation Committee shall be composed of three or more independent, outside, non-employee directors, as each such terms are defined, respectively, in the Corporation’s Corporate Governance Principles and Section 162(m) of the Internal Revenue Code. The members may be appointed and removed from time to time by the Board. The Board will determine the Committee Chair and members upon the recommendation of the Corporate Governance Committee.

The Committee will meet at least two times per year in the discharge of its duties. The Committee shall meet in executive session at each meeting, unless waived by the Committee, without any members of management present.

Committee Duties and Responsibilities

The Committee, in order to assist the Board in the discharge of its responsibilities relating to compensation, succession planning and performance evaluation, will:

- Review, approve and modify, as necessary, the Corporation’s executive compensation policy.
- Review executive compensation levels and targets for PSEG for consistency and alignment with the compensation policy and strategic and operating objectives of the Corporation.
- Review the risk to the Corporation of PSEG’s compensation policies and practices.
- Review funding of non-qualified pension plans (SERPS).
- Review, approve and modify, as necessary, the Corporation’s executive compensation programs, plans and awards.

- Make recommendations to the Board with respect to corporate organization in general, and executive compensation in particular, including incentive compensation plans and equity-based plans.
- Administer or provide for the administration of the Corporation's short and long-term incentive plans and other stock or stock-based incentive plans, including those intended to qualify under Section 162(m) of the Internal Revenue Code, so as to:
  - determine performance measures and goals
  - set thresholds, targets and maximum awards
  - review performance compared to goals
  - approve incentive payments
- Review and approve corporate goals and objectives relevant to CEO compensation (Five Year Business Plan), evaluate the CEO's performance on an annual basis in light of the individual and corporate goals and objectives, and determine and approve the CEO's compensation level based on this evaluation in conjunction with the independent directors of this Corporation.
- Review the compensation discussion and analysis of executive compensation in the Corporation's proxy statement or Form 10-K.
- Produce Organization and Compensation Committee Report to be furnished in the Corporation's proxy statement.
- Retain such consulting firms as the Committee deems appropriate to assist in the evaluation of compensation for the CEO, executive officers and key employees, with sole authority to retain and terminate such consulting firms, including sole authority to approve the firms' fees and other retention terms. The Committee reviews the performance of the consultant on an annual basis.
- Review, at least annually, a management succession plan for the CEO and other key officers, including long and short-term scenarios, and the selection and development of qualified individuals.
- Monitor compliance with the stock ownership requirements for officers as set forth in the Corporation's Corporate Governance Principles.
- Review and assess the adequacy of this Charter annually and recommend proposed changes to the Corporate Governance Committee for consideration, as required.
- Review the Committee calendar annually and determine the meeting schedule for the succeeding year.
- Conduct an annual performance evaluation of the Committee.
- Perform such other duties as are assigned by the Board.
- Report its activities to the Board.