

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
Consolidating Statements of Operations
(Unaudited, \$ Millions)

For the Nine Months Ended September 30, 2009

	PSEG	OTHER ^(a)	PSEG POWER	PSE&G	PSEG ENERGY HOLDINGS
OPERATING REVENUES	\$ 9,521	\$ (2,390)	\$ 5,097	\$ 6,321	\$ 493
OPERATING EXPENSES					
Energy Costs	4,376	(2,386)	2,551	4,005	206
Operation and Maintenance	1,925	(25)	784	1,090	76
Depreciation and Amortization	634	12	139	462	21
Taxes Other Than Income Taxes	100	-	-	100	-
Total Operating Expenses	7,035	(2,399)	3,474	5,657	303
OPERATING INCOME	2,486	9	1,623	664	190
Income from & Impairment on Equity Method Investments	17	-	-	-	17
Other Income and Deductions	89	28	85	5	(29)
Other Than Temporary Impairments	(61)	(1)	(60)	-	-
Interest Expense	(407)	(11)	(119)	(236)	(41)
Preferred Stock Dividends	-	3	-	(3)	-
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES ^(b)	2,124	28	1,529	430	137
Income Tax Expense	(881)	(11)	(607)	(177)	(86)
NET INCOME	\$ 1,243	\$ 17	\$ 922	\$ 253	\$ 51
Reconciling Items Excluded from Continuing Operations ^(c) :	(21)	-	(14)	-	(7)
OPERATING EARNINGS	\$ 1,264	\$ 17	\$ 936	\$ 253	\$ 58

For the Nine Months Ended September 30, 2008

	PSEG	OTHER ^(a)	PSEG POWER	PSE&G	PSEG ENERGY HOLDINGS
OPERATING REVENUES	\$ 10,060	\$ (2,766)	\$ 5,831	\$ 6,750	\$ 245
OPERATING EXPENSES					
Energy Costs	5,552	(2,762)	3,360	4,527	427
Operation and Maintenance	1,856	(27)	796	993	94
Depreciation and Amortization	597	11	121	443	22
Taxes Other Than Income Taxes	101	-	-	101	-
Total Operating Expenses	8,106	(2,778)	4,277	6,064	543
OPERATING INCOME	1,954	12	1,554	686	(298)
Income from & Impairment on Equity Method Investments	26	-	-	-	26
Other Income and Deductions	129	(11)	120	6	14
Other Than Temporary Impairments	(135)	-	(135)	-	-
Interest Expense	(448)	(19)	(125)	(244)	(60)
Preferred Stock Dividends	-	3	-	(3)	-
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES ^(b)	1,526	(15)	1,414	445	(318)
Income Tax (Expense) Benefit	(780)	1	(571)	(161)	(49)
INCOME (LOSS) FROM CONTINUING OPERATIONS	746	(14)	843	284	(367)
Discontinued Operations, net of tax	208	-	-	-	208
NET INCOME (LOSS)	\$ 954	\$ (14)	\$ 843	\$ 284	\$ (159)
Reconciling Items Excluded from Continuing Operations ^(c) :	(483)	-	(12)	-	(471)
OPERATING EARNINGS (LOSS)	\$ 1,229	\$ (14)	\$ 855	\$ 284	\$ 104

(a) Primarily includes financing activities and donations at the parent and intercompany eliminations.

(b) Income from Continuing Operations before Income Taxes includes preferred stock dividends relating to PSE&G of \$3 million for the nine months ended September 30, 2009 and

(c) See attachment 12 for details of items excluded from Continuing Operations to compute Operating Earnings.