

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED March 31, 2025
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM TO

Commission File Number	Name of Registrant, Address, and Telephone Number	State or other jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number
001-09120	Public Service Enterprise Group Incorporated 80 Park Plaza Newark, New Jersey 07102 973 430-7000	New Jersey	22-2625848
001-00973	Public Service Electric and Gas Company 80 Park Plaza Newark, New Jersey 07102 973 430-7000	New Jersey	22-1212800

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Public Service Enterprise Group Incorporated Common Stock without par value	PEG	New York Stock Exchange
Public Service Electric and Gas Company 8.00% First and Refunding Mortgage Bonds, due 2037	PEG37D	New York Stock Exchange
5.00% First and Refunding Mortgage Bonds, due 2037	PEG37J	New York Stock Exchange

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit such files). Yes ☒ No ☐

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Public Service Enterprise Group Incorporated	Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐
Public Service Electric and Gas Company	Large accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☒	Smaller reporting company	☐	Emerging growth company	☐

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If any of the registrants is an emerging growth company, indicate by check mark if such registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether any of the registrants is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 22, 2025, Public Service Enterprise Group Incorporated had outstanding 498,997,910 shares of its sole class of Common Stock, without par value.

As of April 22, 2025, Public Service Electric and Gas Company had issued and outstanding 132,450,344 shares of Common Stock, without nominal or par value, all of which were privately held, beneficially and of record, by Public Service Enterprise Group Incorporated.

Public Service Electric and Gas Company is a wholly owned subsidiary of Public Service Enterprise Group Incorporated and meets the conditions set forth in General Instruction H(1) of Form 10-Q. Public Service Electric and Gas Company is filing its Quarterly Report on Form 10-Q with the reduced disclosure format authorized by General Instruction H.

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FORWARD-LOOKING STATEMENTS

Certain of the matters discussed in this report 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 constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. When used herein, the words "anticipate," "intend," "estimate," "believe," "expect," "plan," "should," "hypothetical," "potential," "forecast," "project," variations of such words and similar expressions are intended to identify forward-looking statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Other factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed in filings we make with the United States Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K. These factors include, but are not limited to:

- any inability to successfully develop, obtain regulatory approval for, or construct transmission and distribution, and our nuclear generation projects;
- the physical, financial and transition risks related to climate change, including risks relating to potentially increased legislative and regulatory burdens, changing customer preferences and lawsuits;
- any equipment failures, accidents, critical operating technology or business system failures, natural disasters, severe weather events, acts of war, terrorism or other acts of violence, sabotage, physical attacks or security breaches, cyberattacks or other incidents that may impact our ability to provide safe and reliable service to our customers;
- any inability to recover the carrying amount of our long-lived assets;
- disruptions or cost increases in our supply chain, including labor shortages;
- any inability to maintain sufficient liquidity or access sufficient capital on commercially reasonable terms;
- the impact of cybersecurity attacks or intrusions or other disruptions to our information technology, operational or other systems;
- an increasing demand for power and load growth, potentially compounded by a shift away from natural gas toward increased electrification;
- failure to attract and retain a qualified workforce;
- increases in the costs of equipment, materials, fuel, services and labor;
- the impact of our covenants in our debt instruments and credit agreements on our business;
- adverse performance of our defined benefit plan trust funds and Nuclear Decommissioning Trust Fund and increases in funding requirements;
- any inability to enter into or extend certain significant contracts;
- development, adoption and use of Artificial Intelligence by us and our third-party vendors;
- fluctuations in, or third-party default risk in wholesale power and natural gas markets, including the potential impacts on the economic viability of our generation units;
- our ability to obtain adequate nuclear fuel supply;
- changes in technology related to energy generation, distribution and consumption and changes in customer usage patterns;
- third-party credit risk relating to our sale of nuclear generation output and purchase of nuclear fuel;
- any inability to meet our commitments under forward sale obligations and Regional Transmission Organization rules;

- the impact of changes in state and federal legislation and regulations on our business, including PSE&G's ability to recover costs and earn returns on authorized investments;
- PSE&G's proposed investment projects or programs may not be fully approved by regulators and its capital investment may be lower than planned;
- our ability to receive sufficient financial support for our New Jersey nuclear plants from the markets, production tax credit and/or zero emission certificates program;
- adverse changes in and non-compliance with energy industry laws, policies, regulations and standards, including market structures and transmission planning and transmission returns;
- risks associated with our ownership and operation of nuclear facilities and third-party operation of co-owned nuclear facilities, including increased nuclear fuel storage costs, regulatory risks, such as compliance with the Atomic Energy Act and trade control, environmental and other regulations, as well as operational, financial, environmental and health and safety risks;
- changes in federal, state and local environmental laws and regulations and enforcement;
- delays in receipt of, or an inability to receive, necessary licenses and permits and siting approvals; and
- changes in tax laws and regulations.

All of the forward-looking statements made in this report are qualified by these cautionary statements and we cannot assure you that the results or developments anticipated by management will be realized or even if realized, will have the expected consequences to, or effects on, us or our business, prospects, financial condition, results of operations or cash flows. Readers are cautioned not to place undue reliance on these forward-looking statements in making any investment decision. Forward-looking statements made in this report apply only as of the date of this report. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even in light of new information or future events, unless otherwise required by applicable securities laws.

The forward-looking statements contained in this report are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

From time to time, PSEG and PSE&G release important information via postings on their corporate Investor Relations website at <https://investor.pseg.com>. Investors and other interested parties are encouraged to visit the Investor Relations website to review new postings. You can sign up for automatic email alerts regarding new postings at the bottom of the webpage at <https://investor.pseg.com> or by navigating to the Email Alerts webpage at <https://investor.pseg.com/resources/email-alerts/default.aspx>. The information on <https://investor.pseg.com> and <https://investor.pseg.com/resources/email-alerts/default.aspx> is not incorporated herein and is not part of this Form 10-Q.

FILING FORMAT

This combined Quarterly Report on Form 10-Q is separately filed by Public Service Enterprise Group Incorporated (PSEG) and Public Service Electric and Gas Company (PSE&G). Information relating to any individual company is filed by such company on its own behalf. PSE&G is only responsible for information about itself and its subsidiaries.

Discussions throughout the document refer to PSEG and its direct operating subsidiaries. Depending on the context of each section, references to "we," "us," and "our" relate to PSEG or to the specific company or companies being discussed.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Millions, except per share data
(Unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
OPERATING REVENUES	\$ 3,222	\$ 2,760
OPERATING EXPENSES		
Energy Costs	1,186	997
Operation and Maintenance	919	783
Depreciation and Amortization	320	295
Total Operating Expenses	2,425	2,075
OPERATING INCOME	797	685
Net Gains (Losses) on Trust Investments	8	95
Net Other Income (Deductions)	37	35
Net Non-Operating Pension and Other Postretirement Benefit (OPEB) Credits (Costs)	16	19
Interest Expense	(241)	(205)
INCOME BEFORE INCOME TAXES	617	629
Income Tax Benefit (Expense)	(28)	(97)
NET INCOME	<u>\$ 589</u>	<u>\$ 532</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
BASIC	<u>498</u>	<u>499</u>
DILUTED	<u>500</u>	<u>500</u>
NET INCOME PER SHARE:		
BASIC	<u>\$ 1.18</u>	<u>\$ 1.07</u>
DILUTED	<u>\$ 1.18</u>	<u>\$ 1.06</u>

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Millions
(Unaudited)

		Three Months Ended	
		2025	March 31,
			2024
NET INCOME	\$	589	\$ 532
Other Comprehensive Income (Loss), net of tax			
Unrealized Gains (Losses) on Available-for-Sale Securities, net of tax (expense) benefit of \$(11) and \$6 for 2025 and 2024, respectively		16	(10)
Unrealized Gains (Losses) on Cash Flow Hedges, net of tax (expense) benefit of \$8 and \$(7) for 2025 and 2024, respectively		(20)	18
Pension/OPEB adjustment, net of tax (expense) benefit of \$(1) for 2025 and 2024		1	2
Other Comprehensive Income (Loss), net of tax		(3)	10
COMPREHENSIVE INCOME	\$	<u>586</u>	<u>\$ 542</u>

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS

Millions
(Unaudited)

	March 31, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 894	\$ 125
Accounts Receivable, net of allowance of \$230 in 2025 and \$210 in 2024	1,772	1,597
Tax Receivable	316	394
Unbilled Revenues, net of allowance of \$4 in 2025 and \$5 in 2024	230	313
Fuel	93	232
Materials and Supplies, net	898	892
Prepayments	104	117
Derivative Contracts	50	33
Regulatory Assets	419	516
Other	23	16
Total Current Assets	4,799	4,235
PROPERTY, PLANT AND EQUIPMENT	51,687	51,207
Less: Accumulated Depreciation and Amortization	(11,411)	(11,143)
Net Property, Plant and Equipment	40,276	40,064
NONCURRENT ASSETS		
Regulatory Assets	6,263	6,125
Operating Lease Right-of-Use Assets	160	162
Long-Term Investments	239	263
Nuclear Decommissioning Trust (NDT) Fund	2,725	2,670
Long-Term Receivable of Variable Interest Entity (VIE)	561	558
Rabbi Trust Fund	165	165
Derivative Contracts	21	51
Other	366	347
Total Noncurrent Assets	10,500	10,341
TOTAL ASSETS	\$ 55,575	\$ 54,640

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS

Millions
(Unaudited)

	March 31, 2025	December 31, 2024
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES		
Long-Term Debt Due Within One Year	\$ 2,600	\$ 2,150
Commercial Paper and Loans	400	1,593
Accounts Payable	1,094	1,136
Derivative Contracts	85	5
Accrued Interest	230	219
Accrued Taxes	41	10
Clean Energy Program	86	145
Obligation to Return Cash Collateral	119	93
Regulatory Liabilities	523	555
Other	641	599
Total Current Liabilities	5,819	6,505
NONCURRENT LIABILITIES		
Deferred Income Taxes and Investment Tax Credits (ITC)	7,360	7,248
Regulatory Liabilities	2,230	2,271
Operating Leases	150	153
Asset Retirement Obligations	1,359	1,500
OPEB Costs	278	292
OPEB Costs of Servco	517	510
Accrued Pension Costs	487	488
Accrued Pension Costs of Servco	28	31
Environmental Costs	221	225
Derivative Contracts	16	4
Long-Term Accrued Taxes	138	130
Other	204	205
Total Noncurrent Liabilities	12,988	13,057
COMMITMENTS AND CONTINGENT LIABILITIES (See Note 8)		
CAPITALIZATION		
LONG-TERM DEBT	20,398	18,964
STOCKHOLDERS' EQUITY		
Common Stock, no par, authorized 1,000 shares; issued, 2025 and 2024—534 shares	5,014	5,057
Treasury Stock, at cost, 2025 and 2024—35 and 36 shares, respectively	(1,376)	(1,403)
Retained Earnings	12,868	12,593
Accumulated Other Comprehensive Loss	(136)	(133)
Total Stockholders' Equity	16,370	16,114
Total Capitalization	36,768	35,078
TOTAL LIABILITIES AND CAPITALIZATION	\$ 55,575	\$ 54,640

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Millions
(Unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 589	\$ 532
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	320	295
Amortization of Nuclear Fuel	53	51
Provision for Deferred Income Taxes and ITC	(38)	40
Non-Cash Employee Benefit Plan (Credits) Costs	19	18
Net Realized and Unrealized (Gains) Losses on Energy Contracts and Other Derivatives	183	258
Cost of Removal	(34)	(45)
Energy Efficiency Programs Regulatory Investment Expenditures	(165)	(118)
Amortization of Energy Efficiency Programs Regulatory Investment Expenditures	38	27
Net Change in Other Regulatory Assets and Liabilities	37	(47)
Net (Gains) Losses and (Income) Expense from NDT Fund	(26)	(109)
Net Change in Certain Current Assets and Liabilities:		
Tax Receivable	78	5
Accrued Taxes	31	11
Cash Collateral	(89)	(168)
Obligation to Return Cash Collateral	26	4
Other Current Assets and Liabilities	24	(97)
Employee Benefit Plan Funding and Related Payments	(17)	(19)
Other	20	23
Net Cash Provided By (Used In) Operating Activities	1,049	661
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property, Plant and Equipment	(628)	(797)
Proceeds from Sales of Trust Investments	394	369
Purchases of Trust Investments	(410)	(380)
Other	26	23
Net Cash Provided By (Used In) Investing Activities	(618)	(785)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Change in Commercial Paper and Loans	(1,193)	(425)
Issuance of Long-Term Debt	1,900	2,250
Payment of Long-Term Debt	—	(250)
Cash Dividends Paid on Common Stock	(314)	(299)
Other	(48)	(27)
Net Cash Provided By (Used In) Financing Activities	345	1,249
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	776	1,125
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	154	99
Cash, Cash Equivalents and Restricted Cash at End of Period	<u>\$ 930</u>	<u>\$ 1,224</u>
Supplemental Disclosure of Cash Flow Information:		
Net Income Taxes Paid (Received)	\$ (71)	\$ (4)
Interest Paid, Net of Amounts Capitalized	\$ 226	\$ 172
Accrued Property, Plant and Equipment Expenditures	\$ 372	\$ 408

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Millions
(Unaudited)

	Common Stock		Treasury Stock		Retained	Accumulated Other Comprehensive	Total
	Shares	Amount	Shares	Amount	Earnings	Income (Loss)	
Balance as of December 31, 2024	534	\$ 5,057	(36)	\$ (1,403)	\$ 12,593	\$ (133)	\$ 16,114
Net Income	—	—	—	—	589	—	589
Other Comprehensive Income (Loss), net of tax (expense) benefit of \$(4)	—	—	—	—	—	(3)	(3)
Comprehensive Income	—	—	—	—	—	—	586
Cash Dividends at \$0.63 per share on Common Stock	—	—	—	—	(314)	—	(314)
Other	—	(43)	1	27	—	—	(16)
Balance as of March 31, 2025	<u>534</u>	<u>\$ 5,014</u>	<u>(35)</u>	<u>\$ (1,376)</u>	<u>\$ 12,868</u>	<u>\$ (136)</u>	<u>\$ 16,370</u>
Balance as of December 31, 2023	534	\$ 5,018	(36)	\$ (1,379)	\$ 12,017	\$ (179)	\$ 15,477
Net Income	—	—	—	—	532	—	532
Other Comprehensive Income (Loss), net of tax (expense) benefit of \$(2)	—	—	—	—	—	10	10
Comprehensive Income	—	—	—	—	—	—	542
Cash Dividends at \$0.60 per share on Common Stock	—	—	—	—	(299)	—	(299)
Other	—	(15)	1	13	—	—	(2)
Balance as of March 31, 2024	<u>534</u>	<u>\$ 5,003</u>	<u>(35)</u>	<u>\$ (1,366)</u>	<u>\$ 12,250</u>	<u>\$ (169)</u>	<u>\$ 15,718</u>

See Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Millions
(Unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
OPERATING REVENUES	\$ 2,664	\$ 2,333
OPERATING EXPENSES		
Energy Costs	1,094	928
Operation and Maintenance	576	465
Depreciation and Amortization	280	257
Total Operating Expenses	1,950	1,650
OPERATING INCOME	714	683
Net Other Income (Deductions)	16	16
Net Non-Operating Pension and OPEB Credits (Costs)	17	19
Interest Expense	(157)	(138)
INCOME BEFORE INCOME TAXES	590	580
Income Tax Expense	(44)	(92)
NET INCOME	<u>\$ 546</u>	<u>\$ 488</u>

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Millions
(Unaudited)

		Three Months Ended March 31,	
		2025	2024
NET INCOME	\$	546	\$ 488
Unrealized Gains (Losses) on Available-for-Sale Securities, net of tax (expense) benefit of \$0 for 2025 and 2024		—	—
COMPREHENSIVE INCOME	\$	<u>546</u>	<u>\$ 488</u>

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

Millions
(Unaudited)

	March 31, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 559	\$ 79
Accounts Receivable, net of allowance of \$230 in 2025 and \$210 in 2024	1,378	1,189
Unbilled Revenues, net of allowance of \$4 in 2025 and \$5 in 2024	230	313
Materials and Supplies, net	638	642
Prepayments	38	28
Regulatory Assets	419	516
Other	16	15
Total Current Assets	3,278	2,782
PROPERTY, PLANT AND EQUIPMENT	46,769	46,198
Less: Accumulated Depreciation and Amortization	(9,335)	(9,160)
Net Property, Plant and Equipment	37,434	37,038
NONCURRENT ASSETS		
Regulatory Assets	6,263	6,125
Operating Lease Right-of-Use Assets	94	93
Long-Term Investments	83	90
Rabbi Trust Fund	30	30
Long-Term Accrued Taxes	—	2
Other	218	204
Total Noncurrent Assets	6,688	6,544
TOTAL ASSETS	\$ 47,400	\$ 46,364

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
Millions
(Unaudited)

	March 31, 2025	December 31, 2024
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES		
Long-Term Debt Due Within One Year	\$ 800	\$ 350
Commercial Paper and Loans	—	444
Accounts Payable	640	704
Accounts Payable—Affiliated Companies	449	362
Accrued Interest	137	174
Clean Energy Program	86	145
Obligation to Return Cash Collateral	119	93
Regulatory Liabilities	523	555
Other	419	371
Total Current Liabilities	3,173	3,198
NONCURRENT LIABILITIES		
Deferred Income Taxes and ITC	6,608	6,477
Regulatory Liabilities	2,230	2,271
Operating Leases	83	83
Asset Retirement Obligations	460	457
OPEB Costs	152	164
Accrued Pension Costs	304	305
Environmental Costs	153	159
Long-Term Accrued Taxes	5	—
Other	153	157
Total Noncurrent Liabilities	10,148	10,073
COMMITMENTS AND CONTINGENT LIABILITIES (See Note 8)		
CAPITALIZATION		
LONG-TERM DEBT	15,088	14,648
STOCKHOLDER'S EQUITY		
Common Stock; 150 shares authorized; issued and outstanding, 2025 and 2024—132 shares	892	892
Contributed Capital	2,156	2,156
Retained Earnings	15,947	15,401
Accumulated Other Comprehensive Loss	(4)	(4)
Total Stockholder's Equity	18,991	18,445
Total Capitalization	34,079	33,093
TOTAL LIABILITIES AND CAPITALIZATION	\$ 47,400	\$ 46,364

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Millions
(Unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 546	\$ 488
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	280	257
Provision for Deferred Income Taxes and ITC	(21)	53
Non-Cash Employee Benefit Plan (Credits) Costs	11	11
Cost of Removal	(34)	(45)
Energy Efficiency Programs Regulatory Investment Expenditures	(165)	(118)
Amortization of Energy Efficiency Programs Regulatory Investment Expenditures	38	27
Net Change in Other Regulatory Assets and Liabilities	37	(47)
Net Change in Certain Current Assets and Liabilities:		
Accounts Receivable and Unbilled Revenues	(107)	(83)
Materials and Supplies	4	(60)
Prepayments	(10)	6
Accounts Payable	(67)	(87)
Accounts Receivable/Payable—Affiliated Companies, net	115	30
Obligation to Return Cash Collateral	26	4
Other Current Assets and Liabilities	14	6
Employee Benefit Plan Funding and Related Payments	(12)	(14)
Other	(23)	(20)
Net Cash Provided By (Used In) Operating Activities	632	408
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property, Plant and Equipment	(605)	(739)
Proceeds from Sales of Trust Investments	1	1
Purchases of Trust Investments	(1)	(1)
Other	8	6
Net Cash Provided By (Used In) Investing Activities	(597)	(733)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Change in Commercial Paper and Loans	(444)	(400)
Issuance of Long-Term Debt	900	1,000
Redemption of Long-Term Debt	—	(250)
Other	(12)	(12)
Net Cash Provided By (Used In) Financing Activities	444	338
Net Increase (Decrease) In Cash, Cash Equivalents and Restricted Cash	479	13
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	108	75
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 587	\$ 88
Supplemental Disclosure of Cash Flow Information:		
Net Income Taxes Paid (Received)	\$ —	\$ (1)
Interest Paid, Net of Amounts Capitalized	\$ 189	\$ 142
Accrued Property, Plant and Equipment Expenditures	\$ 289	\$ 322

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY
Millions
(Unaudited)

	Common Stock	Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance as of December 31, 2024	\$ 892	\$ 2,156	\$ 15,401	\$ (4)	\$ 18,445
Net Income	—	—	546	—	546
Comprehensive Income					546
Balance as of March 31, 2025	<u>\$ 892</u>	<u>\$ 2,156</u>	<u>\$ 15,947</u>	<u>\$ (4)</u>	<u>\$ 18,991</u>
Balance as of December 31, 2023	\$ 892	\$ 2,156	\$ 14,004	\$ (4)	\$ 17,048
Net Income	—	—	488	—	488
Comprehensive Income					488
Balance as of March 31, 2024	<u>\$ 892</u>	<u>\$ 2,156</u>	<u>\$ 14,492</u>	<u>\$ (4)</u>	<u>\$ 17,536</u>

See disclosures regarding Public Service Electric and Gas Company included in the Notes to Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1. Organization, Basis of Presentation and Significant Accounting Policies

Organization

Public Service Enterprise Group Incorporated (PSEG) is a public utility holding company that, acting through its wholly owned subsidiaries, is a predominantly regulated electric and gas utility and a nuclear generation business. PSEG's principal operating subsidiaries are:

- **Public Service Electric and Gas Company (PSE&G)**—which is a public utility engaged principally in the transmission of electricity and distribution of electricity and natural gas in certain areas of New Jersey. PSE&G is subject to regulation by the New Jersey Board of Public Utilities (BPU), the Federal Energy Regulatory Commission (FERC) and other federal and New Jersey state regulators. PSE&G also invests in regulated solar generation projects and energy efficiency (EE) and related programs in New Jersey, which are regulated by the BPU.
- **PSEG Power LLC (PSEG Power)**—which is an energy supply company that consists of the operations of merchant nuclear generating assets and fuel supply functions engaged in competitive energy sales via its principal direct wholly owned subsidiaries. PSEG Power's subsidiaries are subject to regulation by FERC, the Nuclear Regulatory Commission (NRC), and other federal regulators and state regulators in the states in which they operate.

PSEG's other direct wholly owned subsidiaries are: PSEG Long Island LLC (PSEG LI), which operates the Long Island Power Authority's (LIPA) electric transmission and distribution (T&D) system under an Operations Services Agreement (OSA); PSEG Energy Holdings LLC (Energy Holdings), which primarily holds legacy lease investments and competitively bid, FERC regulated transmission; and PSEG Services Corporation (Services), which provides certain management, administrative and general services to PSEG and its subsidiaries at cost.

Basis of Presentation

The respective financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) applicable to Quarterly Reports on Form 10-Q. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting guidance generally accepted in the United States (GAAP) have been condensed or omitted pursuant to such rules and regulations. These Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements (Notes) should be read in conjunction with, and update and supplement matters discussed in, the Annual Report on Form 10-K for the year ended December 31, 2024.

The unaudited condensed consolidated financial information furnished herein reflects all adjustments which are, in the opinion of management, necessary to fairly state the results for the interim periods presented. All such adjustments are of a normal recurring nature. All significant intercompany accounts and transactions are eliminated in consolidation. The year-end Condensed Consolidated Balance Sheets were derived from the audited Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 31, 2024. Certain line item reclassifications have been made to prior year financial statements to conform with current year presentation. These reclassifications had no impact on PSEG's or PSE&G's results of operations, financial condition or cash flows.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Significant Accounting Policies

Cash, Cash Equivalents and Restricted Cash

The following provides a reconciliation of cash, cash equivalents and restricted cash reported within the Condensed Consolidated Balance Sheets that sum to the total of the same such amounts for the beginning (December 31, 2024) and ending periods shown in the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2025. Restricted cash consists primarily of deposits received related to construction projects at PSE&G and the energy management and fuel procurement services contract with LIPA at PSEG Power.

	PSE&G	PSEG Power & Other (A) Millions	Consolidated
As of March 31, 2025			
Cash and Cash Equivalents	\$ 559	\$ 335	\$ 894
Restricted Cash in Other Current Assets	7	8	15
Restricted Cash in Other Noncurrent Assets	21	—	21
Cash, Cash Equivalents and Restricted Cash	\$ 587	\$ 343	\$ 930
As of December 31, 2024			
Cash and Cash Equivalents	\$ 79	\$ 46	\$ 125
Restricted Cash in Other Current Assets	8	—	8
Restricted Cash in Other Noncurrent Assets	21	—	21
Cash, Cash Equivalents and Restricted Cash	\$ 108	\$ 46	\$ 154

(A) Includes amounts applicable to PSEG Power, Energy Holdings, Services and PSEG (parent company).

Property, Plant and Equipment

PSE&G's additions to and replacements of existing property, plant and equipment are capitalized at cost. The cost of maintenance, repair and replacement of minor items of property is charged to expense as incurred. At the time units of depreciable property are retired or otherwise disposed of, the original cost, adjusted for net salvage value, is charged to accumulated depreciation.

PSEG capitalizes costs related to its generating assets, including those related to its jointly-owned facilities that increase the capacity, improve or extend the life of an existing asset; represent a newly acquired or constructed asset; or represent the replacement of a retired asset. The cost of maintenance, repair and replacement of minor items of property is charged to appropriate expense accounts as incurred. Environmental costs are capitalized if the costs mitigate or prevent future environmental contamination or if the costs improve existing assets' environmental safety or efficiency. All other environmental expenditures are expensed as incurred. PSEG also capitalizes spare parts for its generating assets that meet specific criteria. Capitalized spare parts are depreciated over the remaining lives of their associated assets.

Management evaluates its long-lived assets and reassess the reasonableness of their related estimated useful lives whenever events or changes in circumstances warrant assessment. Effective April 2025, PSEG Power revised the estimated useful lives for the Salem 1, Salem 2 and Hope Creek nuclear plants due primarily to the expectation that a 20-year license extension will be approved for these facilities. As a result, PSEG revised the related Asset Retirement Cost (ARC) asset and Asset Retirement Obligation (ARO) liability assumptions, including the probabilities associated with the retirement dates for the nuclear plants, which resulted in a decrease to the ARC asset and ARO liability of \$160 million as of March 31, 2025.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 2. Revenues

Nature of Goods and Services

The following is a description of principal activities by which PSEG and its subsidiaries generate their revenues.

PSEG

Revenues from Contracts with Customers

Electric and Gas Distribution and Transmission Revenues—PSEG sells gas and electricity to customers under default commodity supply tariffs. PSEG's regulated electric and gas default commodity supply and distribution services are separate tariffs which are satisfied as the product(s) and/or service(s) are delivered to the customer. The electric and gas commodity and delivery tariffs are recurring contracts in effect until modified through the regulatory approval process as appropriate. Revenue is recognized over time as the service is rendered to the customer. Included in PSEG's regulated revenues are unbilled electric and gas revenues which represent the estimated amount customers will be billed for services rendered from the most recent meter reading to the end of the respective accounting period.

PSEG's transmission revenues are earned under a separate tariff using a FERC-approved annual formula rate mechanism. The performance obligation of transmission service is satisfied and revenue is recognized as it is provided to the customer. The formula rate mechanism provides for an annual filing of an estimated revenue requirement with rates effective January 1 of each year and a true-up to that estimate based on actual revenue requirements. The true-up mechanism is an alternative revenue which is outside the scope of revenue from contracts with customers.

Other Revenues from Contracts with Customers

Other revenues from contracts with customers, which are not a material source of PSEG revenues, are generated primarily from appliance repair services and solar generation projects. The performance obligations under these contracts are satisfied and revenue is recognized as control of products is delivered or services are rendered.

Revenues Unrelated to Contracts with Customers

Other PSEG revenues unrelated to contracts with customers are derived from alternative revenue mechanisms recorded pursuant to regulatory accounting guidance. These revenues, which include the Conservation Incentive Program (CIP), green energy program true-ups and transmission formula rate true-ups, are not a material source of PSEG revenues.

PSEG Power & Other

Revenues from Contracts with Customers

Electricity and Related Products—PSEG Power owns generation solely within PJM Interconnection, L.L.C. (PJM), which facilitates the dispatch of energy and energy-related products. PSEG Power primarily sells to the PJM Independent System Operator (ISO) energy and ancillary services which are separately transacted in the day-ahead or real-time energy markets. The energy and ancillary services performance obligations are typically satisfied over time as delivered and revenue is recognized accordingly. PSEG generally reports electricity sales and purchases conducted with PJM net on an hourly basis in either Operating Revenues or Energy Costs in its Condensed Consolidated Statements of Operations. The classification depends on the net hourly activity.

PSEG Power enters into capacity sales and capacity purchases through PJM. The transactions are reported on a net basis dependent on PSEG Power's monthly net sale or purchase position through PJM. The performance obligations with PJM are satisfied over time upon delivery of the capacity and revenue is recognized accordingly. In addition to capacity sold through PJM, PSEG Power sells capacity through bilateral contracts and the related revenue is reported on a gross basis and recognized over time upon delivery of the capacity.

PSEG Power's Salem 1, Salem 2 and Hope Creek nuclear plants have been awarded zero emission certificates (ZECs) by the BPU through May 2025. These nuclear plants are expected to receive ZEC revenue from the electric distribution companies (EDCs) in New Jersey. PSEG Power recognizes revenue when the units generate electricity, which is when the performance obligation is satisfied. These revenues are considered variable consideration within the scope of revenue from contracts with

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

customers and are included in PJM Sales in the following tables. ZEC revenue is adjusted by the estimated production tax credits (PTCs) generated from PSEG Power's Salem 1, Salem 2, and Hope Creek nuclear plants. ZEC revenue will be adjusted based upon the actual value of the PTCs generated by these nuclear plants and that adjustment could be material. See Note 13, Income Taxes for further discussion on the factors that could result in an adjustment to the value of the PTCs.

Gas Contracts—PSEG Power sells wholesale natural gas, primarily through an index based full-requirements Basic Gas Supply Service (BGSS) contract with PSE&G to meet the gas supply requirements of PSE&G's customers. The BGSS contract remains in effect unless terminated by either party with a two-year notice. Based upon the availability of natural gas, storage and pipeline capacity beyond PSE&G's daily needs, PSEG Power also sells gas and pipeline capacity to other counterparties under bilateral contracts. The performance obligation is primarily the delivery of gas which is satisfied over time. Revenue is recognized as gas is delivered or pipeline capacity is released.

PSEGLI Contract—PSEGLI has a contract with LIPA which generates revenues. PSEGLI's subsidiary, Long Island Electric Utility Servco, LLC (Servco) records costs which are recovered from LIPA and records the recovery of those costs as revenues when Servco is a principal in the transaction.

Other Revenues from Contracts with Customers

PSEG Power has entered into long-term contracts with LIPA for energy management and fuel procurement services. Revenue is recognized over time as services are rendered. This agreement expires in December 2025.

Revenues Unrelated to Contracts with Customers

PSEG Power's revenues unrelated to contracts with customers include electric, gas and certain energy-related transactions accounted for in accordance with Derivatives and Hedging accounting guidance. See Note 10, Financial Risk Management Activities for further discussion.

Energy Holdings generates lease revenues which are recorded pursuant to lease accounting guidance.

Disaggregation of Revenues

	PSE&G	PSEG Power & Other (A)	Eliminations Millions	Consolidated
Three Months Ended March 31, 2025				
Revenues from Contracts with Customers				
Electric Distribution	\$ 944	\$ —	\$ —	\$ 944
Gas Distribution	1,143	—	—	1,143
Transmission	439	—	—	439
Electricity and Related Product Sales				
Third-Party Sales	—	453	—	453
Sales to Affiliates	—	32	(32)	—
Gas Sales				
Third-Party Sales	—	140	—	140
Sales to Affiliates	—	501	(501)	—
Other Revenues from Contracts with Customers (B)	91	178	(1)	268
Total Revenues from Contracts with Customers	2,617	1,304	(534)	3,387
Revenues Unrelated to Contracts with Customers (C)	47	(212)	—	(165)
Total Operating Revenues	<u>\$ 2,664</u>	<u>\$ 1,092</u>	<u>\$ (534)</u>	<u>\$ 3,222</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

	PSE&G	PSEG Power & Other (A)	Eliminations Millions	Consolidated
Three Months Ended March 31, 2024				
Revenues from Contracts with Customers				
Electric Distribution	\$ 781	\$ —	\$ —	\$ 781
Gas Distribution	922	—	—	922
Transmission	436	—	—	436
Electricity and Related Product Sales				
Third-Party Sales	—	230	—	230
Sales to Affiliates	—	30	(30)	—
Gas Sales				
Third-Party Sales	—	76	—	76
Sales to Affiliates	—	414	(414)	—
Other Revenues from Contracts with Customers (B)	84	174	(1)	257
Total Revenues from Contracts with Customers	2,223	924	(445)	2,702
Revenues Unrelated to Contracts with Customers (C)	110	(52)	—	58
Total Operating Revenues	\$ 2,333	\$ 872	\$ (445)	\$ 2,760

(A) Includes revenues applicable to PSEG Power, PSEGLI and Energy Holdings.

(B) Includes primarily revenues from appliance repair services and the sale of solar renewable energy credits (SRECs) at auction at PSE&G. PSEG Power & Other includes PSEGLI's OSA with LIPA and PSEG Power's energy management fee with LIPA.

(C) Includes primarily alternative revenues at PSE&G principally from the CIP program and derivative contracts and lease contracts at PSEG Power & Other.

Contract Balances

PSE&G

PSE&G did not have any material contract balances (rights to consideration for services already provided or obligations to provide services in the future for consideration already received) as of March 31, 2025 and December 31, 2024. Substantially all of PSE&G's accounts receivable and unbilled revenues result from contracts with customers that are priced at tariff rates. Allowances represented approximately 13% of accounts receivable (including unbilled revenues) as of both March 31, 2025 and December 31, 2024.

Accounts Receivable—Allowance for Credit Losses

PSE&G's accounts receivable, including unbilled revenues, is primarily comprised of utility customer receivables for the provision of electric and gas service and appliance services, and are reported on the balance sheet as gross outstanding amounts adjusted for an allowance for credit losses. The allowance for credit losses reflects PSE&G's best estimate of losses on the account balances. The allowance is based on PSE&G's projection of accounts receivable aging, historical experience, economic factors and other currently available evidence. PSE&G's electric bad debt expense is recoverable through its Societal Benefits Clause (SBC) mechanism.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following provides a reconciliation of PSE&G's allowance for credit losses for the three months ended March 31, 2025 and 2024:

	2025	Millions	2024
Balance as of Beginning of Year	\$	215	\$ 283
Utility Customer and Other Accounts			
Provision		37	26
Write-offs, net of Recoveries of \$9 million and \$7 million in 2025 and 2024, respectively		(18)	(36)
Balance as of End of Period	\$	234	\$ 273

PSEG Power & Other

PSEG Power generally collects consideration upon satisfaction of performance obligations, and therefore, PSEG Power had no material contract balances as of March 31, 2025 and December 31, 2024.

PSEG Power's accounts receivable include amounts resulting from contracts with customers and other contracts which are out of scope of accounting guidance for revenues from contracts with customers. The majority of these accounts receivable are subject to master netting agreements. As a result, accounts receivable resulting from contracts with customers and receivables unrelated to contracts with customers are netted within Accounts Receivable and Accounts Payable on the Condensed Consolidated Balance Sheets.

PSEG Power's accounts receivable consist mainly of revenues from energy and ancillary services sold directly to ISOs and other counterparties. In the wholesale energy markets in which PSEG Power operates, payment for services rendered and products transferred are typically due within 30 days of delivery. As such, there is little credit risk associated with these receivables. PSEG Power did not record an allowance for credit losses for these receivables as of March 31, 2025 or December 31, 2024. PSEG Power monitors the status of its counterparties on an ongoing basis to assess whether there are any anticipated credit losses.

PSEGLI did not have any material contract balances as of March 31, 2025 and December 31, 2024.

Remaining Performance Obligations under Fixed Consideration Contracts

PSEG primarily records revenues as allowed by the guidance, which states that if an entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, the entity may recognize revenue in the amount to which the entity has a right to invoice. PSEG has future performance obligations under contracts with fixed consideration as follows:

Capacity Revenues from the PJM Annual Base Residual and Incremental Auctions—The Base Residual Auction is generally conducted annually three years in advance of the operating period. However, changes to capacity market rules have resulted in auction suspensions and delays so that recent auctions have been run closer in time to their operating periods. In February 2023, the results of the 2024/2025 auction were released and in July 2024 the results of the 2025/2026 auction were released. PSEG Power expects to realize the following average capacity prices resulting from the base and incremental auctions, including unit specific bilateral contracts for previously cleared capacity obligations.

Delivery Year	\$ per Megawatt (MW)-Day	MW Cleared
June 2024 to May 2025	\$ 61	3,700
June 2025 to May 2026	\$ 270	3,500

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Amended OSA—In April 2022, PSEG LI entered into an amended OSA with LIPA. The OSA remains a 12-year services contract ending on December 31, 2025 with annual fixed and variable components. The fixed fee for the provision of services thereunder in 2025 is approximately \$45 million and is updated each year based on the change in the Consumer Price Index. At an April 30, 2025 LIPA board meeting, the LIPA board of trustees voted against the recommendation from LIPA management to award the operations services agreement to a different electric service provider. PSEG awaits further information from LIPA regarding next steps in this process, the outcome of which is uncertain.

Note 3. Variable Interest Entity (VIE)

VIE for which PSEG LI is the Primary Beneficiary

PSEG LI consolidates Servco, a marginally capitalized VIE, which was created for the purpose of operating LIPA's T&D system in Long Island, New York as well as providing administrative support functions to LIPA. PSEG LI is the primary beneficiary of Servco because it directs the operations of Servco, the activity that most significantly impacts Servco's economic performance and it has the obligation to absorb losses of Servco that could potentially be significant to Servco. Such losses would be immaterial to PSEG.

Pursuant to the OSA, Servco's operating costs are paid entirely by LIPA, and therefore, PSEG LI's risk is limited related to the activities of Servco. PSEG LI has no current obligation to provide direct financial support to Servco. In addition to payment of Servco's operating costs as provided for in the OSA, PSEG LI receives an annual contract management fee. PSEG LI's annual contract management fee, in certain situations, could be partially offset by Servco's annual storm costs that are denied reimbursement by the Federal Emergency Management Agency, limited contingent liabilities and penalties for failing to meet certain performance metrics.

For transactions in which Servco acts as principal and controls the services provided to LIPA, such as transactions with its employees for labor and labor-related activities, including pension and OPEB-related transactions, Servco records revenues and the related pass-through expenditures separately in Operating Revenues and Operation and Maintenance (O&M) Expense, respectively. Servco recorded \$152 million and \$150 million for the three months ended March 31, 2025 and 2024, respectively, of O&M expense, the full reimbursement of which was reflected in Operating Revenues. For transactions in which Servco acts as an agent for LIPA, it records revenues and the related expenses on a net basis, resulting in no impact on PSEG's Condensed Consolidated Statement of Operations.

Note 4. Rate Filings

In addition to items previously reported in the Annual Report on Form 10-K, significant regulatory orders received and currently pending rate filings with the BPU or FERC by PSE&G are as follows:

BGSS—In April 2025, the BPU gave final approval to PSE&G's BGSS rate of approximately 33 cents per therm, which was effective October 1, 2024.

CIP—In February 2025, the BPU gave final approval for PSE&G's updated electric CIP petition to recover approximately \$96 million of deficient electric revenues over two years that resulted from the 12-month period ended May 31, 2024, with new rates which were effective August 1, 2024.

In February 2025, PSE&G filed its 2025 annual electric CIP petition seeking BPU approval to recover estimated deficient electric revenues of approximately \$65 million based on the 12-month period ending May 31, 2025, with new rates proposed to be effective June 1, 2025. This matter is pending.

Gas System Modernization Program II Extension (GSMP II Ext)—In February 2025, PSE&G filed its initial GSMP II Ext cost recovery petition seeking BPU approval to recover in gas base rates an annual revenue increase of \$53 million effective August 1, 2025. This filing requests the return on and of investment for GSMP II Ext gas investments expected to be placed in service through April 30, 2025. This matter is pending.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Infrastructure Advancement Program (IAP)—In April 2025, the BPU approved PSE&G's updated cost recovery petition to recover in electric and gas base rates an annual revenue increase of approximately \$6 million and \$3 million, respectively, effective May 1, 2025. This increase represents the return of and on investment for IAP electric investments in service through January 31, 2025.

RAC—In January 2025, the BPU approved PSE&G's RAC 30 petition approving recovery of approximately \$56 million of net MGP expenditures incurred from August 1, 2021 through July 31, 2022, with new rates effective February 15, 2025.

Note 5. Financing Receivables

PSE&G

PSE&G's Solar Loan Programs are designed to help finance the installation of solar power systems throughout its electric service area. Interest income on the loans is recorded on an accrual basis. The loans are paid back with SRECs generated from the related installed solar electric system. PSE&G uses collection experience as a credit quality indicator for its Solar Loan Programs and conducted a comprehensive credit review for all borrowers. As of March 31, 2025, none of the solar loans were impaired; however, in the event a loan becomes impaired, the basis of the solar loan would be recovered through a regulatory recovery mechanism. Therefore, no current credit losses have been recorded for Solar Loan Programs I, II and III. A substantial portion of these loan amounts are noncurrent and reported in Long-Term Investments on PSE&G's and PSE&G's Condensed Consolidated Balance Sheets.

The following table reflects the outstanding loans by class of customer, none of which would be considered "non-performing."

Outstanding Loans by Class of Customers	March 31, 2025	As of	
		December 31, 2024	
		Millions	
Commercial/Industrial	\$	34	\$ 38
Residential		2	2
Total		36	40
Current Portion (included in Accounts Receivable)		(16)	(17)
Noncurrent Portion (included in Long-Term Investments)	\$	20	\$ 23

The solar loans originated under the remaining Solar Loan Programs are comprised as follows:

Programs	Balance as of March 31, 2025 Millions	Funding Provided	Residential Loan Term	Non-Residential Loan Term
Solar Loan II	\$ 18	prior to 2015	10 years	15 years
Solar Loan III	18	prior to 2022	10 years	10 years
Total	\$ 36			

The average life of loans paid in full is 8 years, which is lower than the loan terms of 10 to 15 years due to the generation of SRECs being greater than expected and/or cash payments made to the loan. Payments on all outstanding loans were current as of March 31, 2025 and have an average remaining life of approximately 2 years. There are no remaining residential loans outstanding and less than \$1 million of commercial loans outstanding under the Solar Loan I program.

Energy Holdings

Energy Holdings, through its indirect subsidiaries, has investments in assets subject primarily to leveraged lease accounting. A leveraged lease is typically comprised of an investment by an equity investor and debt provided by a third-party debt investor. The debt is recourse only to the assets subject to lease and is not included on PSEG's Condensed Consolidated Balance Sheets. As an equity investor, Energy Holdings' equity investments in the leases are comprised of the total expected lease receivables over the lease terms, reduced for any income not yet earned on the leases. This amount is included in Long-Term Investments

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

on PSEG's Condensed Consolidated Balance Sheets. The more rapid depreciation of the leased property for tax purposes creates tax cash flow that will be repaid to the taxing authority in later periods. As such, the liability for such taxes due is recorded in Deferred Income Taxes on PSEG's Condensed Consolidated Balance Sheets.

Leveraged leases outstanding as of March 31, 2025 commenced in or prior to 2000. The following table shows Energy Holdings' gross and net lease investments as of March 31, 2025 and December 31, 2024.

	March 31, 2025	As of Millions	December 31, 2024
Lease Receivables (net of Non-Recourse Debt)	\$	178	\$ 200
Estimated Residual Value of Leased Assets		—	—
Total Investment in Rental Receivables		178	200
Unearned and Deferred Income		(47)	(50)
Gross Investments in Leases		131	150
Deferred Tax Liabilities		(31)	(33)
Net Investments in Leases	\$	100	\$ 117

The corresponding receivables associated with the lease portfolio are reflected as follows, net of non-recourse debt. The ratings in the table represent the ratings of the entities providing payment assurance to Energy Holdings.

Counterparties' Standard & Poor's (S&P) Credit Rating as of March 31, 2025	Lease Receivables, Net of Non-Recourse Debt As of March 31, 2025 Millions
AA	\$ 7
A-	148
BBB+	23
Total	\$ 178

PSEG recorded no credit losses for the leveraged leases existing on March 31, 2025. Upon the occurrence of certain defaults, indirect subsidiaries of Energy Holdings would exercise their rights and seek recovery of their investments, potentially including stepping into the lease directly to protect their investments. While these actions could ultimately protect or mitigate the loss of value, they could require the use of significant capital and trigger certain material tax obligations which could, for certain leases, wholly or partially be mitigated by tax indemnification claims against the counterparty. A bankruptcy of a lessee would likely delay and potentially limit any efforts on the part of the lessors to assert their rights upon default and could delay the monetization of claims.

Note 6. Trust Investments

Nuclear Decommissioning Trust (NDT) Fund

PSEG Power maintains an external master NDT to fund its share of decommissioning costs for its five nuclear facilities upon their respective termination of operation. The trust contains two separate funds: a qualified fund and a nonqualified fund. Section 468A of the Internal Revenue Code limits the amount of money that can be contributed into a qualified fund. The funds are managed by third-party investment managers who operate under investment guidelines developed by PSEG Power.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The following tables show the amortized costs basis, gross unrealized gains and losses and fair values for the securities held in the NDT Fund.

	Cost	As of March 31, 2025		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
		Millions		
Equity Securities				
Domestic	\$ 510	\$ 356	\$ (7)	\$ 859
International	437	114	(20)	531
Total Equity Securities	947	470	(27)	1,390
Available-for-Sale Debt Securities				
Government	847	4	(76)	775
Corporate	552	4	(26)	530
Total Available-for-Sale Debt Securities	1,399	8	(102)	1,305
Total NDT Fund Investments (A)	\$ 2,346	\$ 478	\$ (129)	\$ 2,695

(A)The NDT Fund Investments table excludes cash and foreign currency of \$30 million as of March 31, 2025, which is part of the NDT Fund.

	Cost	As of December 31, 2024		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
		Millions		
Equity Securities				
Domestic	\$ 508	\$ 393	\$ (9)	\$ 892
International	419	98	(29)	488
Total Equity Securities	927	491	(38)	1,380
Available-for-Sale Debt Securities				
Government	853	1	(91)	763
Corporate	531	3	(31)	503
Total Available-for-Sale Debt Securities	1,384	4	(122)	1,266
Total NDT Fund Investments (A)	\$ 2,311	\$ 495	\$ (160)	\$ 2,646

(A)The NDT Fund Investments table excludes cash and foreign currency of \$24 million as of December 31, 2024, which is part of the NDT Fund.

Net unrealized gains (losses) on debt securities of \$(55) million (after-tax) were included in Accumulated Other Comprehensive Loss (AOCL) on PSEG's Condensed Consolidated Balance Sheet as of March 31, 2025. The portion of net unrealized gains (losses) recognized in the first quarter of 2025 related to equity securities still held as of March 31, 2025 was \$17 million.

The amounts in the preceding tables do not include receivables and payables for NDT Fund transactions which have not settled at the end of each period. Such amounts are included in Accounts Receivable and Accounts Payable on the Condensed Consolidated Balance Sheets as shown in the following table.

	As of March 31, 2025	As of December 31, 2024
	Millions	
Accounts Receivable	\$ 21	\$ 18
Accounts Payable	\$ 12	\$ 5

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following table shows the value of securities in the NDT Fund that have been in an unrealized loss position for less than and greater than 12 months.

	As of March 31, 2025				As of December 31, 2024			
	Less Than 12 Months		Greater Than 12 Months		Less Than 12 Months		Greater Than 12 Months	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Millions								
Equity Securities (A)								
Domestic	\$ 36	\$ (6)	\$ 5	\$ (2)	\$ 73	\$ (8)	\$ 4	\$ (1)
International	96	(12)	25	(7)	126	(19)	22	(10)
Total Equity Securities	132	(18)	30	(9)	199	(27)	26	(11)
Available-for-Sale Debt Securities								
Government (B)	142	(2)	387	(74)	295	(7)	382	(84)
Corporate (C)	73	(1)	213	(25)	119	(2)	227	(29)
Total Available-for-Sale Debt Securities	215	(3)	600	(99)	414	(9)	609	(113)
NDT Trust Investments	\$ 347	\$ (21)	\$ 630	\$ (108)	\$ 613	\$ (36)	\$ 635	\$ (124)

(A)Equity Securities—Investments in marketable equity securities within the NDT Fund are primarily in common stocks within a broad range of industries and sectors. Unrealized gains and losses on these securities are recorded in Net Income.

(B)Debt Securities (Government)—Unrealized gains and losses on these securities are recorded in Accumulated Other Comprehensive Income (Loss). The unrealized losses on PSEG Power's NDT investments in U.S. Treasury obligations and Federal Agency mortgage-backed securities were caused by interest rate changes. PSEG Power also has investments in municipal bonds. It is not expected that these securities will settle for less than their amortized cost. PSEG Power does not intend to sell these securities, nor will it be more-likely-than-not required to sell before recovery of their amortized cost. PSEG Power did not recognize credit losses for U.S. Treasury obligations and Federal Agency mortgage-backed securities because these investments are guaranteed by the U.S. government or an agency of the U.S. government. PSEG Power did not recognize credit losses for municipal bonds because they are primarily investment grade securities.

(C)Debt Securities (Corporate)—Unrealized gains and losses on these securities are recorded in Accumulated Other Comprehensive Income (Loss). Unrealized losses were due to market declines. It is not expected that these securities would settle for less than their amortized cost. PSEG Power does not intend to sell these securities, nor will it be more-likely-than-not required to sell before recovery of their amortized cost. PSEG Power did not recognize credit losses for corporate bonds because they are primarily investment grade securities.

The proceeds from the sales of and the net gains (losses) on securities in the NDT Fund were:

	Three Months Ended March 31,	
	2025	2024
Millions		
Proceeds from NDT Fund Sales (A)	\$ 387	\$ 360
Net Realized Gains (Losses) on NDT Fund		
Gross Realized Gains	\$ 48	\$ 31
Gross Realized Losses	(29)	(14)
	19	17
Net Realized Gains (Losses) on NDT Fund (B)		
Net Unrealized Gains (Losses) on Equity Securities	(10)	78
Net Gains (Losses) on NDT Fund Investments	\$ 9	\$ 95

(A)Includes activity in accounts related to the liquidation of funds being transitioned within the trust.

(B)The cost of these securities was determined on the basis of specific identification.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The NDT Fund debt securities held as of March 31, 2025 had the following maturities:

Time Frame	Fair Value Millions
Less than one year	\$ 28
1 - 5 years	359
6 - 10 years	211
11 - 15 years	74
16 - 20 years	113
Over 20 years	520
Total NDT Available-for-Sale Debt Securities	\$ 1,305

PSEG Power periodically assesses individual debt securities whose fair value is less than amortized cost to determine whether the investments are impaired. For these securities, management considers its intent to sell or requirement to sell a security prior to expected recovery. In those cases where a sale is expected, any impairment would be recorded through earnings. For fixed income securities where there is no intent to sell or likely requirement to sell, management evaluates whether credit loss is a component of the impairment. If so, that portion is recorded through earnings while the noncredit loss component is recorded through Accumulated Other Comprehensive Income (Loss). Any subsequent recoveries of the noncredit loss component of the impairment would be recorded through Accumulated Other Comprehensive Income (Loss). Any subsequent recoveries of the credit loss component would be recognized through earnings. The assessment of fair market value compared to cost is applied on a weighted average basis taking into account various purchase dates and initial cost of the securities.

Rabbi Trust

PSEG maintains certain unfunded nonqualified benefit plans to provide supplemental retirement and deferred compensation benefits to certain key employees. Certain assets related to these plans have been set aside in a grantor trust commonly known as a “Rabbi Trust.”

The following tables show the amortized cost basis, gross unrealized gains and losses and fair values for the securities held in the Rabbi Trust.

	Cost	As of March 31, 2025		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
		Millions		
Domestic Equity Securities	\$ 8	\$ 7	\$ —	\$ 15
Available-for-Sale Debt Securities				
Government	105	—	(20)	85
Corporate	75	—	(10)	65
Total Available-for-Sale Debt Securities	180	—	(30)	150
Total Rabbi Trust Investments	\$ 188	\$ 7	\$ (30)	\$ 165

	Cost	As of December 31, 2024		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
		Millions		
Domestic Equity Securities	\$ 8	\$ 9	\$ —	\$ 17
Available-for-Sale Debt Securities				
Government	105	—	(22)	83
Corporate	76	—	(11)	65
Total Available-for-Sale Debt Securities	181	—	(33)	148
Total Rabbi Trust Investments	\$ 189	\$ 9	\$ (33)	\$ 165

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Net unrealized gains (losses) on debt securities of \$(22) million (after-tax) were included in AOCL on PSEG's Condensed Consolidated Balance Sheet as of March 31, 2025. The portion of net unrealized gains (losses) recognized during the first quarter of 2025 related to equity securities still held as of March 31, 2025 was approximately \$(1) million.

The amounts in the preceding tables do not include receivables and payables for Rabbi Trust Fund transactions which have not settled at the end of each period. Such amounts were immaterial as of March 31, 2025 and December 31, 2024.

The following table shows the value of securities in the Rabbi Trust Fund that have been in an unrealized loss position for less than 12 months and greater than 12 months.

	As of March 31, 2025				As of December 31, 2024			
	Less Than 12 Months		Greater Than 12 Months		Less Than 12 Months		Greater Than 12 Months	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Millions								
Available-for-Sale Debt Securities								
Government (A)	\$ 7	\$ —	\$ 72	\$ (20)	\$ 10	\$ —	\$ 71	\$ (22)
Corporate (B)	8	—	47	(10)	11	—	49	(11)
Total Available-for-Sale Debt Securities	15	—	119	(30)	21	—	120	(33)
Rabbi Trust Investments	\$ 15	\$ —	\$ 119	\$ (30)	\$ 21	\$ —	\$ 120	\$ (33)

(A)Debt Securities (Government)—Unrealized gains and losses on these securities are recorded in Accumulated Other Comprehensive Income (Loss). The unrealized losses on PSEG's Rabbi Trust investments in U.S. Treasury obligations and Federal Agency mortgage-backed securities were caused by interest rate changes. PSEG also has investments in municipal bonds. It is not expected that these securities will settle for less than their amortized cost. PSEG does not intend to sell these securities, nor will it be more-likely-than-not required to sell before recovery of their amortized cost. PSEG did not recognize credit losses for U.S. Treasury obligations and Federal Agency mortgage-backed securities because these investments are guaranteed by the U.S. government or an agency of the U.S. government. PSEG did not recognize credit losses for municipal bonds because they are primarily investment grade securities.

(B)Debt Securities (Corporate)—Unrealized gains and losses on these securities are recorded in Accumulated Other Comprehensive Income (Loss). Unrealized losses were due to market declines. It is not expected that these securities would settle for less than their amortized cost. PSEG does not intend to sell these securities, nor will it be more-likely-than-not required to sell before recovery of their amortized cost. PSEG did not recognize credit losses for corporate bonds because they are primarily investment grade.

The proceeds from the sales of and the net gains (losses) on securities in the Rabbi Trust Fund were:

	Three Months Ended March 31,	
	2025	2024
	Millions	
Proceeds from Rabbi Trust Sales	\$ 7	\$ 9
Net Realized Gains (Losses) on Rabbi Trust:		
Gross Realized Gains	\$ —	\$ 1
Gross Realized Losses	—	(1)
Net Realized Gains (Losses) on Rabbi Trust (A)	—	—
Net Unrealized Gains (Losses) on Equity Securities	(1)	—
Net Gains (Losses) on Rabbi Trust Investments	\$ (1)	\$ —

(A)The cost of these securities was determined on the basis of specific identification.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The Rabbi Trust debt securities held as of March 31, 2025 had the following maturities:

Time Frame	Fair Value Millions
Less than one year	\$ 5
1 - 5 years	28
6 - 10 years	16
11 - 15 years	11
16 - 20 years	16
Over 20 years	74
Total Rabbi Trust Available-for-Sale Debt Securities	\$ 150

PSEG periodically assesses individual debt securities whose fair value is less than amortized cost to determine whether the investments are considered to be impaired. For these securities, management considers its intent to sell or requirement to sell a security prior to expected recovery. In those cases where a sale is expected, any impairment would be recorded through earnings. For fixed income securities where there is no intent to sell or likely requirement to sell, management evaluates whether credit loss is a component of the impairment. If so, that portion is recorded through earnings while the noncredit loss component is recorded through Accumulated Other Comprehensive Income (Loss). Any subsequent recoveries of the noncredit loss component of the impairment would be recorded through Accumulated Other Comprehensive Income (Loss). Any subsequent recoveries of the credit loss component would be recognized through earnings. The assessment of fair market value compared to cost is applied on a weighted average basis taking into account various purchase dates and initial cost of the securities.

The fair value of the Rabbi Trust related to PSE&G and PSEG Power & Other is detailed as follows:

	As of March 31, 2025	Millions	As of December 31, 2024
PSE&G	\$ 30		\$ 30
PSEG Power & Other	135		135
Total Rabbi Trust Investments	\$ 165		\$ 165

Note 7. Pension and Other Postretirement Benefits (OPEB)

PSEG sponsors and Services administers qualified and nonqualified pension plans and OPEB plans covering PSEG's and its participating affiliates' current and former employees who meet certain eligibility criteria.

PSEG and PSE&G are required to record the under or over funded positions of their defined benefit pension and OPEB plans on their respective balance sheets. Such funding positions are required to be measured as of the date of their respective year-end Consolidated Balance Sheets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following table provides the components of net periodic benefit costs (credits) relating to all qualified and nonqualified pension and OPEB plans on an aggregate basis for PSEG, excluding Servco. Amounts shown do not reflect the impacts of capitalization, co-owner allocations and certain regulatory orders. Only the service cost component is eligible for capitalization, when applicable.

	Pension Benefits Three Months Ended March 31,		OPEB Three Months Ended March 31,	
	2025	2024	2025	2024
	Millions			
Components of Net Periodic Benefit (Credits) Costs				
Service Cost (included in O&M Expense)	\$ 22	\$ 23	\$ —	\$ 1
Non-Service Components of Pension and OPEB (Credits) Costs				
Interest Cost	58	56	9	9
Expected Return on Plan Assets	(77)	(80)	(8)	(9)
Amortization of Net				
Prior Service Credit	—	—	1	—
Actuarial Loss (Gain)	15	18	(1)	—
Non-Service Components of Pension and OPEB (Credits) Costs	(4)	(6)	1	—
Total Net Benefit (Credits) Costs	\$ 18	\$ 17	\$ 1	\$ 1

Pension and OPEB (credits) costs for PSE&G and PSEG Power & Other are detailed as follows:

	Pension Benefits Three Months Ended March 31,		OPEB Three Months Ended March 31,	
	2025	2024	2025	2024
	Millions			
PSE&G	\$ 12	\$ 11	\$ (1)	\$ —
PSEG Power & Other	6	6	2	1
Total Net Benefit (Credits) Costs	\$ 18	\$ 17	\$ 1	\$ 1

PSEG plans to contribute \$5 million to its OPEB plan and may choose to contribute up to \$100 million to its pension plans in 2025. Internal Revenue Service (IRS) minimum funding requirements for pension plans are determined based on the fund's assets and liabilities at the end of a calendar year for the subsequent calendar year.

Servco Pension and OPEB

Servco sponsors a qualified pension plan and OPEB plan covering its employees who meet certain eligibility criteria. Under the OSA, employee benefit costs for these plans are funded by LIPA. See Note 3. Variable Interest Entity. These obligations, as well as the offsetting long-term receivable, are separately presented on the Condensed Consolidated Balance Sheet of PSEG.

Servco amounts are not included in any of the preceding pension and OPEB cost disclosures. Pension and OPEB costs of Servco are accounted for according to the OSA. Servco recognizes expenses for contributions to its pension plan trusts and for OPEB payments made to retirees. Operating Revenues are recognized for the reimbursement of these costs. Servco plans to contribute \$23 million into its pension plan in 2025. Servco's pension-related revenues and costs were \$6 million for three months ended March 31, 2025 and 2024. The OPEB-related revenues earned and costs incurred were \$3 million for the three months ended March 31, 2025 and 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 8. Commitments and Contingent Liabilities

Guaranteed Obligations

PSEG Power's activities primarily involve the purchase and/or sale of energy, nuclear fuel and other related products under transportation, physical, financial and forward contracts at fixed and variable prices. These transactions are with numerous counterparties and brokers that may require cash, letters of credit or guarantees as a form of collateral.

PSEG Power has unconditionally guaranteed payments to counterparties on behalf of its subsidiaries in commodity-related transactions in order to

- support current exposure, interest and other costs on sums due and payable in the ordinary course of business, and
- obtain unsecured credit thresholds from counterparties.

PSEG Power is subject to

- counterparty collateral calls due to margining provisions included in commodity contracts, and
- certain creditworthiness standards as guarantor under performance guarantees of its subsidiaries.

Under these agreements, guarantees cover credit extended between entities and is often reciprocal in nature. The exposure between counterparties can move in either direction.

In order for PSEG Power to incur a liability for the face value of the outstanding guarantees,

- its subsidiaries would have to fully utilize the credit granted to them by every counterparty to whom PSEG Power has provided a guarantee, and
- the net position of the related contracts would have to be "out-of-the-money" (if the contracts are terminated, PSEG Power would owe money to the counterparties).

PSEG Power believes the probability of this result is unlikely. For this reason, PSEG Power believes that the current exposure at any point in time is a more meaningful representation of the potential liability under these guarantees. Current exposure consists of the net of accounts receivable and accounts payable and the forward value on open positions, less any collateral posted.

Changes in commodity prices can have a material impact on collateral requirements under such contracts, which are posted and received primarily in the form of cash and letters of credit.

PSEG Power also routinely enters into futures and options transactions for electricity and natural gas as part of its operations. These futures contracts usually require a cash margin deposit with brokers, which can change based on market movement and in accordance with exchange rules.

In addition to the guarantees discussed above, PSEG Power has also provided payment guarantees to third parties and regulatory authorities on behalf of its affiliated companies. These guarantees support various other non-commodity related obligations.

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The following table shows the face value of PSEG Power's outstanding guarantees, current exposure and margin positions as of March 31, 2025 and December 31, 2024.

	As of March 31, 2025	Millions	As of December 31, 2024
Face Value of Outstanding Guarantees	\$	1,078	\$ 1,272
Exposure under Current Guarantees	\$	88	\$ 47
Letters of Credit - Counterparty Margining Posted	\$	40	\$ 4
Letters of Credit - Counterparty Margining Received	\$	9	\$ 24
Cash Deposited and Received			
Counterparty Cash Collateral Deposited	\$	—	\$ —
Counterparty Cash Collateral Received	\$	—	\$ (1)
Net Broker Balance Deposited (Received)	\$	333	\$ 245
Additional Amounts Posted			
Other Letters of Credit	\$	157	\$ 155

As part of determining credit exposure, PSEG Power nets receivables and payables with the corresponding net fair values of energy contracts. See Note 10. Financial Risk Management Activities for further discussion. In accordance with PSEG's accounting policy, where it is applicable, cash (received)/deposited is allocated against derivative asset and liability positions with the same counterparty on the face of the Condensed Consolidated Balance Sheet. The remaining balances of net cash (received)/deposited after allocation are generally included in Accounts Payable and Receivable, respectively.

In addition to amounts for outstanding guarantees, current exposure and margin positions, PSEG and PSEG Power have posted letters of credit to support PSEG Power's various other non-energy contractual and environmental obligations. See Other Letters of Credit in the preceding table.

Environmental Matters

Passaic River

Lower Passaic River Study Area

The U.S. Environmental Protection Agency (EPA) has determined that a 17-mile stretch of the Passaic River (Lower Passaic River Study Area (LPRSA)) in New Jersey is a "Superfund" site under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA). PSE&G and certain of its predecessors conducted operations at properties in this area, including at one site that was transferred to PSEG Power.

The EPA has announced two separate cleanup plans for the Lower 8.3 miles and Upper 9 miles of the LPRSA. The EPA's plan for the Lower 8.3 miles involves dredging and capping sediments at an estimated cost of \$2.3 billion, and its plan for the Upper 9 miles involves dredging and capping sediments at an estimated cost of \$550 million. Additional cleanup work may be required depending on the results of these initial phases of work.

Occidental Chemical Corporation (Occidental) has voluntarily completed the design of the cleanup plan for the Lower 8.3 miles and has received an EPA Unilateral Administrative Order directing it to design the cleanup plan for the Upper 9 miles. It has filed two lawsuits against PSE&G and others to attempt to recover costs associated with this work and to obtain a declaratory judgment of parties' shares of any future costs. PSEG cannot predict the outcome of the litigation.

The EPA finalized and received court approval of a settlement with 82 parties who have agreed to pay \$150 million to resolve their LPRSA CERCLA liability, in whole or in part. PSE&G and PSEG Power are not included in the proposed settlement, but the EPA sent PSE&G, Occidental, and several other Potentially Responsible Parties (PRPs) a letter in March 2022 inviting

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them to submit to the EPA individually or jointly an offer to fund or participate in the next stages of the remediation. PSEG submitted a good faith offer to the EPA in June 2022 on behalf of PSE&G and PSEG Power. PSEG understands that the EPA is evaluating its offer.

As of March 31, 2025, PSEG has approximately \$66 million accrued for this matter. PSE&G has an Environmental Costs Liability of \$53 million and a corresponding Regulatory Asset based on its continued ability to recover such costs in its rates. PSEG Power has an Environmental Costs Liability of \$13 million.

The outcome of this matter is uncertain, and until (i) a final remedy for the entire LPRSA is selected and an agreement is reached by the PRPs to fund it, (ii) PSE&G's and PSEG Power's respective shares of the costs are determined, and (iii) PSE&G's ability to recover the costs in its rates is determined, it is not possible to predict this matter's ultimate impact on PSEG's financial statements. It is possible that PSE&G and PSEG Power will record additional costs beyond what they have accrued, and that such costs could be material, but PSEG cannot at the current time estimate the amount or range of any additional costs.

Newark Bay Study Area

The EPA has established the Newark Bay Study Area, which is an extension of the LPRSA and includes Newark Bay and portions of surrounding waterways. The EPA has notified PSEG and 21 other PRPs of their potential liability. PSE&G and PSEG Power are unable to estimate their respective portions of any loss or possible range of loss related to this matter. In December 2018, PSEG Power completed the sale of the site of the Hudson electric generating station. PSEG Power contractually transferred all land rights and structures on the Hudson site to a third-party purchaser, along with the assumption of the environmental liabilities for the site.

Natural Resource Damage Claims

New Jersey and certain federal regulators have alleged that PSE&G, PSEG Power and 56 other PRPs may be liable for natural resource damages within the LPRSA. In particular, PSE&G, PSEG Power and other PRPs received notice from federal regulators of the regulators' intent to move forward with a series of studies assessing potential damages to natural resources at the Diamond Alkali Superfund site, which includes the LPRSA and the Newark Bay Study Area. PSE&G and PSEG Power are unable to estimate their respective portions of any possible loss or range of loss related to this matter.

Hackensack River

In 2022, the EPA announced it had designated approximately 23 river miles of the Lower Hackensack River as a federal Superfund site. PSE&G and certain of its predecessors conducted operations at properties in this area, including at the Hudson, Bergen and Keamy generating stations that were transferred to PSEG Power. PSEG Power subsequently contractually transferred all land rights and structures on the Hudson generating station site to a third-party purchaser, along with the assumption of the environmental liabilities for that site. In 2024, the EPA identified PSE&G and four other parties as PRPs for the site and requested that they voluntarily perform a technical study of a portion of the river designated as "Operable Unit 2." The EPA estimates that the technical study will cost \$55 million to complete and PSE&G and PSEG Power have agreed to participate in the technical study. PSE&G and PSEG Power do not believe participation in the technical study will have a material impact on their results of operations and financial condition based upon EPA's estimate of the study costs; however, future costs related to this matter could be material.

Manufactured Gas Plant (MGP) Remediation Program

PSE&G is working with the New Jersey Department of Environmental Protection (NJDEP) to assess, investigate and remediate environmental conditions at its former MGP sites. To date, 38 sites requiring some level of remedial action have been identified. Based on its current studies, PSE&G has determined that the estimated cost to remediate all MGP sites to completion could range between \$199 million and \$224 million on an undiscounted basis, including its \$53 million share for the Passaic River as discussed above. Since no amount within the range is considered to be most likely, PSE&G has recorded a liability of \$199 million as of March 31, 2025. Of this amount, \$49 million was recorded in Other Current Liabilities and \$150 million was reflected as Environmental Costs in Noncurrent Liabilities. PSE&G has recorded a \$199 million Regulatory Asset with respect to these costs. PSE&G periodically updates its studies taking into account any new regulations or new information

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which could impact future remediation costs and adjusts its recorded liability accordingly. PSE&G completed sampling in the Passaic River in 2020 to delineate coal tar from certain MGP sites that abut the Passaic River Superfund site. PSEG cannot determine at this time the magnitude of any impact on the Passaic River Superfund remedy.

Legacy Environmental Obligations at Former Fossil Generating Sites

PSEG Power has retained ownership of certain liabilities excluded from the 2022 sale of its fossil generation portfolio. These liabilities primarily relate to obligations under the New Jersey Industrial Site Recovery Act (ISRA) and the Connecticut Transfer Act (CTA) to investigate and remediate PSEG Power's two formerly owned generating station sites in Connecticut, and six formerly owned generating station sites in New Jersey. In addition, PSEG Power still owns two former generating station sites in New Jersey that triggered ISRA in 2015.

PSEG Power is in the process of fulfilling its obligations under the New Jersey ISRA and the CTA to investigate these sites. It will require multiple years and comprehensive environmental sampling to understand the extent of and to carry out the required remediation. At this stage in the remediation process, the full remediation costs are not estimable, but given the number and operating history of the facilities in the portfolio, the full remediation costs will likely be material in the aggregate. The costs could potentially include costs for, among other things, excavating soil, implementation of institutional controls, and the construction, operation and maintenance of engineering controls.

In May 2024, the EPA finalized revisions to the coal combustion residuals rule (CCR Rule) which established new requirements for the investigation and, if necessary, the cleanup of certain types of coal ash placed at certain fossil generation station sites, including certain sites owned or formerly owned by PSEG Power. PSEG is in the process of investigating each of the sites that PSEG Power currently owns that are subject to the CCR Rule, as well as sites that were formerly owned that are subject to the CCR Rule where PSEG Power retained certain environmental obligations to investigate and, if necessary, remediate. PSEG is currently unable to estimate the impact of the CCR Rule, but it could have a material impact on PSEG's business, results of operations and cash flows.

Clean Water Act (CWA) Section 316(b) Rule

The EPA's CWA Section 316(b) rule establishes requirements for the design and operation of cooling water intake structures at existing power plants and industrial facilities with a design flow of more than two million gallons of water per day.

In June 2016, the NJDEP issued a final New Jersey Pollutant Discharge Elimination System permit for Salem. In July 2016, the Delaware Riverkeeper Network (Riverkeeper) filed an administrative hearing request challenging certain conditions of the permit, including the NJDEP's application of the 316(b) rule. In November 2024, Riverkeeper's administrative hearing request was denied, though the denial is subject to review by the NJDEP Commissioner and appeal by Riverkeeper. If the Riverkeeper's challenge is ultimately successful, PSEG Power may be required to incur additional costs to comply with the CWA. Potential cooling water and/or service water system modification costs could be material and could adversely impact the economic competitiveness of this facility.

Basic Generation Service (BGS), BGSS and ZECs

Each year, PSE&G obtains its electric supply requirements through annual New Jersey BGS auctions for two categories of customers that choose not to purchase electric supply from third-party suppliers. The first category is residential and smaller commercial and industrial customers (BGS-Residential Small Commercial Pricing (RSCP)). The second category is larger customers that exceed a BPU-established load (kW) threshold (BGS-Commercial and Industrial Energy Pricing (CIEP)). Pursuant to applicable BPU rules, PSE&G enters into the Supplier Master Agreements with the winners of these RSCP and CIEP BGS auctions to purchase BGS for PSE&G's load requirements. The winners of the RSCP and CIEP auctions are responsible for fulfilling all the requirements of a PJM load-serving entity including the provision of capacity, energy, ancillary services and any other services required by PJM. As such, prices set through these auctions are impacted by prices set in the PJM capacity auctions, which significantly increased for the 2025/2026 auction year. See Note 2. Revenues for additional information. BGS suppliers assume all volume risk and customer migration risk and must satisfy New Jersey's renewable portfolio standards.

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The BGS-CIEP auction is for a one-year supply period from June 1 to May 31 with the BGS-CIEP auction price measured in dollars per MW-day for capacity. The final price for the BGS-CIEP auction year commencing June 1, 2025 is \$696.05 per MW-day, replacing the BGS-CIEP auction year price ending May 31, 2025 of \$378.21 per MW-day. Energy for BGS-CIEP is priced at hourly PJM locational marginal prices for the contract period.

PSE&G contracts for its anticipated BGS-RSCP load on a three-year rolling basis, whereby each year one-third of the load is procured for a three-year period. The contract prices in dollars per MWh for the BGS-RSCP supply, as well as the approximate load, are as follows:

	Auction Year				(A)
	2022 May 2025	2023 May 2026	2024 May 2027	2025 May 2028	
36-Month Terms Ending					
Load (MW)	2,800	2,800	2,900	2,800	
\$ per MWh	\$ 76.30	\$ 93.11	\$ 80.88	\$ 107.36	

(A) Prices set in the 2025 BGS auction will become effective on June 1, 2025 when the 2022 BGS auction agreements expire.

PSE&G has a full-requirements contract with PSEG Power to meet the gas supply requirements of PSE&G's gas customers. PSEG Power has entered into hedges for a portion of these anticipated BGSS obligations, as permitted by the BPU. The BPU permits PSE&G to recover the cost of gas hedging up to 115 billion cubic feet or 80% of its residential gas supply annual requirements through the BGSS tariff. Current plans call for PSEG Power to hedge on behalf of PSE&G approximately 70 billion cubic feet or 50% of its residential gas supply annual requirements. For additional information, see Note 17. Related-Party Transactions.

Pursuant to a process established by the BPU, New Jersey EDCs, including PSE&G, are required to purchase ZECs from eligible nuclear plants selected by the BPU. In April 2021, PSEG Power's Salem 1, Salem 2 and Hope Creek nuclear plants were awarded ZECs for the three-year eligibility period from June 2022 through May 2025. PSE&G has implemented a tariff to collect a non-bypassable distribution charge in the amount of \$0.004 per KWh from its retail distribution customers to be used to purchase the ZECs from these plants. PSE&G will purchase the ZECs on a monthly basis with payment to be made annually following completion of each energy year.

FERC Matters

FERC has been conducting a non-public investigation of the Roseland-Pleasant Valley (RPV) transmission project. In December 2024, FERC approved an agreement between PSE&G and FERC Enforcement Staff resolving its investigation. The agreement includes a \$6.6 million civil penalty and the implementation of certain compliance requirements, in addition to the process improvements that PSE&G has already implemented. It also includes a statement that nothing in the agreement reflects a challenge by FERC Enforcement to the end-of-life determination relative to the project and that no disgorgement has been sought. In a December 2024 proceeding related to PJM's annual cost allocation filing, an intervenor raised an objection related to the recovery of costs for the RPV project. FERC issued an order declining to take action with respect to the intervenor's objection. PSEG cannot predict whether there will be objections raised in other forums.

BPU Audit of PSE&G

In 2020, the BPU ordered the commencement of a comprehensive affiliate and management audit of PSE&G. It has been more than ten years since the BPU last conducted a management and affiliate audit of this kind of PSE&G, which is initiated periodically as required by New Jersey statutes/regulations. Phase 1 of the audit reviews affiliate relations and cost allocation between PSE&G and its affiliates, including an analysis of the relationship between PSE&G and PSEG Energy Resources & Trade, LLC, a wholly owned subsidiary of PSEG Power over the past ten years, and between PSE&G and PSEG LI. Phase 2 is a comprehensive management audit, which addresses, among other things, executive management, corporate governance, system operations, human resources, cyber security, compliance with customer protection requirements and customer safety. The audit officially began in late May 2021. The BPU Audit Staff submitted the final audit report to the BPU in June 2023.

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The BPU is currently considering public comments on the audit report and has not yet determined which audit recommendations it will require PSE&G to implement. It is not possible at this time to predict the outcome of this matter.

Litigation

Sewaren 7 Construction

In June 2018, a complaint was filed in federal court in Newark, New Jersey against PSEG Fossil LLC, which at the time was a wholly owned subsidiary of PSEG Power, regarding an ongoing dispute with Durr Mechanical Construction, Inc. (Durr), a contractor on the Sewaren 7 project. Among other things, Durr sought damages of \$93 million and alleges that PSEG Power withheld money owed to Durr and that PSEG Power's intentional conduct led to the inability of Durr to obtain prospective contracts. PSEG Power intends to vigorously defend against these allegations. In January 2021, the court partially granted PSEG Power's motion to dismiss certain claims, reducing the amount claimed to \$68 million. In December 2018, Durr filed for Chapter 11 bankruptcy in the federal court in the Southern District of New York (SDNY). The SDNY bankruptcy court has allowed the New Jersey litigation to proceed. PSEG Power has accrued an amount related to outstanding invoices which does not reflect an assessment of claims and potential counterclaims in this matter. At this time, PSEG Power cannot predict the outcome of this matter.

Other Litigation and Legal Proceedings

PSEG and its subsidiaries are party to various lawsuits in the ordinary course of business. In view of the inherent difficulty in predicting the outcome of such matters, PSEG and PSE&G generally cannot predict the eventual outcome of the pending matters, the timing of the ultimate resolution of these matters, or the eventual loss, fines or penalties related to each pending matter.

In accordance with applicable accounting guidance, a liability is accrued when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. PSEG will continue to monitor the matter for further developments that could affect the amount of the accrued liability that has been previously established.

Based on current knowledge, management does not believe that loss contingencies arising from pending matters, other than the matters described herein, could have a material adverse effect on PSEG's or PSE&G's consolidated financial position or liquidity. However, in light of the inherent uncertainties involved in these matters, some of which are beyond PSEG's control, and the large or indeterminate damages sought in some of these matters, an adverse outcome in one or more of these matters could be material to PSEG's or PSE&G's results of operations or liquidity for any particular reporting period.

Note 9. Debt and Credit Facilities

Long-Term Debt Financing Transactions

The following long-term debt transactions occurred in the three months ended March 31, 2025:

PSEG

- issued \$600 million of 4.90% Senior Notes due March 2030, and
- issued \$400 million of 5.40% Senior Notes due March 2035.

PSE&G

- issued \$400 million of 5.05% Secured Medium-Term Notes, Series Q, due March 2035, and
- issued \$500 million of 5.50% Secured Medium-Term Notes, Series Q, due March 2055.

Short-Term Liquidity

PSEG meets its short-term liquidity requirements, as well as those of PSEG Power, primarily through the issuance of commercial paper and, from time to time, short-term loans. PSE&G maintains its own separate commercial paper program to

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

meet its short-term liquidity requirements. Each commercial paper program is fully back-stopped by its own separate credit facility.

The commitments under the \$3.8 billion credit facilities are provided by a diverse bank group. As of March 31, 2025, the total available credit capacity was \$3.7 billion. In March 2025, PSEG, PSEG Power, and PSE&G executed a one year extension to their existing \$3.75 billion revolving credit facilities, extending the maturity through March 2029, and PSEG Power amended certain provisions in the Master Credit Facility including removal of subsidiary guarantees of PSEG Power obligations. The PSEG Power letter of credit facilities and term loans were also amended to be consistent with the Master Credit Facility, and the uncommitted credit facility at a subsidiary of PSEG Power was terminated.

As of March 31, 2025, no single institution represented more than 9% of the total commitments in the credit facilities.

As of March 31, 2025, PSEG's liquidity position, including credit facilities and access to external financing, was expected to be sufficient to meet its projected stressed requirements over a 12-month planning horizon.

Each of the credit facilities is restricted as to availability and use to the specific companies as listed in the following table; however, if necessary, the PSEG facilities can also be used to support its subsidiaries' liquidity needs.

The total committed credit facilities and available liquidity as of March 31, 2025 were as follows:

Company/Facility	As of March 31, 2025			Available Liquidity	Expiration Date	Primary Purpose
	Total Facility	Usage (B)				
		Millions				
PSEG						
Revolving Credit Facility (A)	\$ 1,500	\$ 14	\$ 1,486	Mar 2029	Commercial Paper Support/Funding/Letters of Credit	
Total PSEG	\$ 1,500	\$ 14	\$ 1,486			
PSE&G						
Revolving Credit Facility	\$ 1,000	\$ 25	\$ 975	Mar 2029	Commercial Paper Support/Funding/Letters of Credit	
Total PSE&G	\$ 1,000	\$ 25	\$ 975			
PSEG Power						
Revolving Credit Facility (A)	\$ 1,250	\$ 37	\$ 1,213	Mar 2029	Funding/Letters of Credit	
Letter of Credit Facility	75	45	30	Apr 2026	Letters of Credit	
Total PSEG Power	\$ 1,325	\$ 82	\$ 1,243			
Total (C)	\$ 3,825	\$ 121	\$ 3,704			

(A) Master Credit Facility with sub-limits of \$1.5 billion for PSEG and \$1.25 billion for PSEG Power; sub-limits can be adjusted pursuant to the terms of the Master Credit Facility agreement. The PSEG sub-limit includes a sustainability linked pricing based mechanism with potential increases or decreases, which are not expected to be material, depending on performance relative to targeted methane emission reductions.

(B) The primary use of PSEG's and PSE&G's credit facilities is to support their respective Commercial Paper Programs, under which as of March 31, 2025, neither PSEG nor PSE&G had commercial paper outstanding.

(C) Amounts do not include uncommitted credit facilities or 364-day term loans, if any apply.

PSEG Power has uncommitted credit facilities totaling \$200 million, which can be utilized for letters of credit. As of March 31, 2025, PSEG Power had \$112 million in letters of credit outstanding under these uncommitted credit facilities.

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Short-Term Loans

In December 2024, PSEG Power entered into a new 364-day variable rate term loan for \$400 million. In December 2024, PSEG Power extended the maturity of the \$1.25 billion term loan from March 2025 to June 2025.

Note 10. Financial Risk Management Activities

Derivative accounting guidance requires that a derivative instrument be recognized as either an asset or a liability at fair value, with changes in fair value of the derivative recognized in earnings each period. Other accounting treatments are available through special election and designation provided that the derivative instrument meets specific, restrictive criteria, both at the time of designation and on an ongoing basis. These alternative permissible treatments include normal purchases and normal sales (NPNS), cash flow hedge and fair value hedge accounting. PSEG uses interest rate swaps and other derivatives, which are designated and qualifying as cash flow or fair value hedges. PSEG Power enters into additional contracts that are derivatives, but are not designated as either cash flow hedges or fair value hedges. These transactions are economic hedges and are recorded at fair market value with changes recognized in earnings.

Commodity Prices

Within PSEG and its affiliate companies, PSEG Power has the most exposure to commodity price risk. PSEG Power is exposed to commodity price risk primarily relating to changes in the market price of electricity, natural gas and other commodities. Fluctuations in market prices result from changes in supply and demand, fuel costs, market conditions, weather, state and federal regulatory policies, environmental policies, transmission availability and other factors. PSEG Power uses a variety of derivative and non-derivative instruments, such as financial options, futures and swaps to manage the exposure to fluctuations in commodity prices and optimize the value of PSEG Power's expected generation. PSEG Power also uses derivatives to hedge a portion of its anticipated BGSS obligations with PSE&G. For additional information see Note 8. Commitments and Contingent Liabilities.

Interest Rates

PSEG, PSE&G and PSEG Power are subject to the risk of fluctuating interest rates in the normal course of business. Exposure to this risk is managed by targeting a balanced debt maturity profile which limits refinancing in any given period or interest rate environment. PSEG and PSEG Power may use a mix of fixed and floating rate debt and interest rate hedges.

Cash Flow Hedges

PSEG uses interest rate hedges which are designated and effective as cash flow hedges, to manage its exposure to the variability of cash flows, primarily related to variable-rate debt instruments or anticipated future long-term debt issuances.

As of March 31, 2025, PSEG had interest rate hedges outstanding to fix the interest rate portion of anticipated 2025 debt issuances. The fair value of these hedges was immaterial as of March 31, 2025.

In the first quarter of 2025, PSEG unwound interest rate hedges totaling \$800 million in connection with the \$1 billion long-term debt issuances at PSEG that occurred in March 2025. See Note 9. Debt and Credit Facilities for additional information. The settlement payment of \$4 million received for these interest rate hedges was recorded in Accumulated Other Comprehensive Income (Loss) and will be amortized into earnings to match the term and timing of the hedged debt.

The Accumulated Other Comprehensive Income (Loss) (after tax) related to outstanding and terminated interest rate hedges designated as cash flow hedges was \$16 million and \$36 million as of March 31, 2025 and December 31, 2024, respectively. The after-tax unrealized gains on these hedges expected to be reclassified to earnings during the next 12 months are \$3 million.

Fair Values of Derivative Instruments

The following are the fair values of derivative instruments on the Condensed Consolidated Balance Sheets. The following tables also include disclosures for offsetting derivative assets and liabilities which are subject to a master netting or similar agreement. In general, the terms of the agreements provide that in the event of an early termination the counterparties have the right to offset amounts owed or owing under that and any other agreement with the same counterparty. Accordingly, and in

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accordance with PSEG's accounting policy, these positions are offset on the Condensed Consolidated Balance Sheets of PSEG. For additional information see Note 11. Fair Value Measurements.

Substantially all derivative instruments are contracts subject to master netting agreements. Contracts not subject to master netting or similar agreements are immaterial and did not have any collateral posted or received as of March 31, 2025 and December 31, 2024. The following tabular disclosure does not include the offsetting of trade receivables and payables.

Balance Sheet Location	PSEG Cash Flow Hedges Interest Rate Derivatives	Not Designated Energy- Related Contracts	As of March 31, 2025 PSEG Power		Consolidated	
			Netting (A) Millions	Total PSEG Power		Total Derivatives
Derivative Contracts						
Current Assets	\$ —	\$ 815	\$ (765)	\$ 50	\$ 50	
Noncurrent Assets	7	681	(667)	14	21	
Total Mark-to-Market Derivative Assets	<u>\$ 7</u>	<u>\$ 1,496</u>	<u>\$ (1,432)</u>	<u>\$ 64</u>	<u>\$ 71</u>	
Derivative Contracts						
Current Liabilities	\$ —	\$ (1,047)	\$ 962	\$ (85)	\$ (85)	
Noncurrent Liabilities	(7)	(684)	675	(9)	(16)	
Total Mark-to-Market Derivative (Liabilities)	<u>\$ (7)</u>	<u>\$ (1,731)</u>	<u>\$ 1,637</u>	<u>\$ (94)</u>	<u>\$ (101)</u>	
Total Net Mark-to-Market Derivative Assets (Liabilities)	\$ —	\$ (235)	\$ 205	\$ (30)	\$ (30)	

Balance Sheet Location	As of December 31, 2024					Consolidated
	PSEG	Not Designated	PSEG Power		Total PSEG Power	
	Cash Flow Hedges		Energy-Related	Netting		
	Interest Rate Derivatives	Contracts	(A)	Millions		Total Derivatives
Derivative Contracts						
Current Assets	\$ —	\$ 403	\$ (370)	\$ 33	\$ 33	
Noncurrent Assets	32	375	(356)	19	51	
Total Mark-to-Market Derivative Assets	<u>\$ 32</u>	<u>\$ 778</u>	<u>\$ (726)</u>	<u>\$ 52</u>	<u>\$ 84</u>	
Derivative Contracts						
Current Liabilities	\$ —	\$ (448)	\$ 443	\$ (5)	\$ (5)	
Noncurrent Liabilities	—	(408)	404	(4)	(4)	
Total Mark-to-Market Derivative (Liabilities)	<u>\$ —</u>	<u>\$ (856)</u>	<u>\$ 847</u>	<u>\$ (9)</u>	<u>\$ (9)</u>	
Total Net Mark-to-Market Derivative Assets (Liabilities)	\$ 32	\$ (78)	\$ 121	\$ 43	\$ 75	

(A) Represents the netting of fair value balances with the same counterparty (where the right of offset exists) and the application of cash collateral. All cash collateral (received) posted that has been allocated to derivative positions, where the right of offset exists, has been offset on the Condensed Consolidated Balance Sheets. As of March 31, 2025 and December 31, 2024, PSEG Power had net cash collateral (receipts) payments to counterparties of \$333 million and \$244 million, respectively. Of these net cash collateral (receipts) payments, \$205 million March 31, 2025 and \$121 million as of December 31, 2024 were netted against the corresponding net derivative contract

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positions. Of the \$205 million as of March 31, 2025, \$197 million was netted against current liabilities and \$8 million against current noncurrent liabilities. Of the \$121 million as of December 31, 2024, \$73 million was netted against current liabilities and \$48 million against noncurrent liabilities.

Certain of PSEG Power's derivative instruments contain provisions that require PSEG Power to post collateral. This collateral may be posted in the form of cash or credit support with thresholds contingent upon PSEG Power's credit rating from each of the major credit rating agencies. The collateral and credit support requirements vary by contract and by counterparty. These credit risk-related contingent features stipulate that if PSEG Power were to be downgraded to a below investment grade rating by S&P or Moody's, it would be required to provide additional collateral. A below investment grade credit rating for PSEG Power would represent a two level downgrade from its current Moody's and S&P ratings. This incremental collateral requirement can offset collateral requirements related to other derivative instruments that are assets with the same counterparty, where the contractual right of offset exists under applicable master agreements. PSEG Power may also enter into commodity transactions on the New York Mercantile Exchange (NYMEX) and Intercontinental Exchange (ICE). The NYMEX and ICE clearing houses act as counterparties to each trade. Transactions on the NYMEX and ICE must adhere to comprehensive collateral and margin requirements.

The aggregate fair value of all derivative instruments with credit risk-related contingent features in a liability position that are not fully collateralized (excluding transactions on the NYMEX and ICE that are fully collateralized) was \$108 million as of March 31, 2025 and \$17 million as of December 31, 2024. As of March 31, 2025 and December 31, 2024, PSEG Power had the contractual right of offset of \$22 million and \$11 million, respectively, related to derivative instruments that are assets with the same counterparty under master agreements and net of margin posted. If PSEG Power had been downgraded to a below investment grade rating, it would have had additional collateral obligations of \$86 million and \$6 million as of March 31, 2025 and December 31, 2024, respectively, related to its derivatives, net of the contractual right of offset under master agreements and the application of collateral.

The following shows the effect on the Condensed Consolidated Statements of Operations and on AOCL of derivative instruments designated as cash flow hedges for the three months ended March 31, 2025 and 2024:

Derivatives in Cash Flow Hedging Relationships	Amount of Pre-Tax Gain (Loss) Recognized in AOCL on Derivatives Three Months Ended March 31,		Location of Pre-Tax Gain (Loss) Reclassified from AOCL into Income	Amount of Pre-Tax Gain (Loss) Reclassified from AOCL into Income Three Months Ended March 31,					
	2025	2024		2025	2024				
	Millions			Millions					
PSEG									
Interest Rate Derivatives	\$	(27)	\$	28	Interest Expense	\$	1	\$	3
Total PSEG	\$	(27)	\$	28		\$	1	\$	3

The effect of interest rate cash flow hedges is recorded in Interest Expense in PSEG's Condensed Consolidated Statement of Operations. For the three months ended March 31, 2025 and 2024, the amount of gain on interest rate hedges reclassified from AOCL into income was immaterial and \$2 million after-tax, respectively.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following reconciles the Accumulated Other Comprehensive Income (Loss) for derivative activity included in the AOCL of PSEG on a pre-tax and after-tax basis.

Accumulated Other Comprehensive Income (Loss)	Pre-Tax	Millions	After-Tax
Balance as of December 31, 2023	\$	4	\$ 3
Gain Recognized in AOCL		59	42
Less: Gain Reclassified into Income		(13)	(9)
Balance as of December 31, 2024	\$	50	\$ 36
Loss Recognized in AOCL		(27)	(20)
Less: Gain Reclassified into Income		(1)	—
Balance as of March 31, 2025	\$	22	\$ 16

The following shows the effect on the Condensed Consolidated Statements of Operations of derivative instruments not designated as hedging instruments or as NPNS for the three months ended March 31, 2025 and 2024, respectively. PSEG Power's derivative contracts reflected in this table primarily includes contracts to hedge the purchase and sale of electricity and natural gas.

Derivatives Not Designated as Hedges	Location of Pre-Tax Gain (Loss) Recognized in Income on Derivatives	Pre-Tax Gain (Loss) Recognized in Income on Derivatives Three Months Ended March 31,	
		2025	2024
		Millions	
Energy-Related Contracts	Operating Revenues	\$ (241)	\$ (148)
Energy-Related Contracts	Energy Costs	(2)	1
Total		\$ (243)	\$ (147)

The following table summarizes the net notional volume purchases/(sales) of open derivative transactions by commodity as of March 31, 2025 and December 31, 2024.

Type	Notional	As of March 31, 2025	As of December 31, 2024
		Millions	
Natural Gas	Dekatherm (Dth)	90	70
Electricity	MWh	(64)	(49)
Financial Transmission Rights (FTRs)	MWh	10	16
Interest Rate Derivatives	U.S. Dollars	1,000	2,290

Credit Risk

Credit risk relates to the risk of loss that PSEG Power would incur as a result of non-performance by counterparties pursuant to the terms of their contractual obligations for the purchase and/or sale of energy, nuclear fuel and other related products, where PSEG Power has extended unsecured credit. PSEG has established credit policies that it believes significantly minimize credit risk. These policies include an evaluation of potential counterparties' financial condition (including credit rating), collateral requirements under certain circumstances and the use of standardized agreements, which allow for the netting of positive and negative exposures associated with a single counterparty. In the event of non-performance or non-payment by a major counterparty, there may be a material adverse impact on PSEG's financial condition, results of operations or net cash flows.

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As of March 31, 2025, 100% of the net credit exposure for PSEG Power's wholesale operations was with investment grade counterparties. There were two counterparties with credit exposure greater than 10% of the total. These credit exposures were with PSE&G and one non-affiliated counterparty. The PSE&G credit exposure is eliminated in consolidation. See Note 17. Related-Party Transactions for additional information.

PSE&G's supplier master agreements are approved by the BPU and govern the terms of its electric supply procurement contracts. These agreements define a supplier's performance assurance requirements and allow a supplier to meet its credit requirements with a certain amount of unsecured credit. The amount of unsecured credit is determined based on the supplier's credit ratings from the major credit rating agencies and the supplier's tangible net worth. The credit position is based on the initial market price, which is the forward price of energy on the day the procurement transaction is executed, compared to the forward price curve for energy on the valuation day. To the extent that the forward price curve for energy exceeds the initial market price, the supplier is required to post a parental guarantee or other security instrument such as a letter of credit or cash, as collateral to the extent the credit exposure is greater than the supplier's unsecured credit limit. As of March 31, 2025, PSEG held parental guarantees, letters of credit and cash as security. PSE&G's BGS suppliers' credit exposure is calculated each business day. As of March 31, 2025, PSE&G had \$80 million in unsecured mark-to-market credit exposure with its suppliers.

PSE&G is permitted to recover its costs of procuring energy through the BPU-approved BGS tariffs. PSE&G's counterparty credit risk is mitigated by its ability to recover realized energy costs through customer rates.

Note 11. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting guidance for fair value measurement emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and establishes a fair value hierarchy that distinguishes between assumptions based on market data obtained from independent sources and those based on an entity's own assumptions. The hierarchy prioritizes the inputs to fair value measurement into three levels:

Level 1—measurements utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that PSEG and PSE&G have the ability to access. These consist primarily of listed equity securities and money market mutual funds, as well as natural gas futures contracts executed on an exchange.

Level 2—measurements include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable inputs such as interest rates and yield curves that are observable at commonly quoted intervals. These consist primarily of exchange and non-exchange traded derivatives such as futures or forward contracts or options and most fixed income securities.

Level 3—measurements use unobservable inputs for assets or liabilities, based on the best information available and might include an entity's own data and assumptions. In some valuations, the inputs used may fall into different levels of the hierarchy. In these cases, the financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These consist primarily of certain electric load contracts.

Certain derivative transactions may transfer from Level 2 to Level 3 if inputs become unobservable and internal modeling techniques are employed to determine fair value. Conversely, measurements may transfer from Level 3 to Level 2 if the inputs become observable. There were no transfers to or from Level 3 during the three months ended March 31, 2025 and 2024, respectively.

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The following tables present information about PSEG's and PSE&G's respective assets and (liabilities) measured at fair value on a recurring basis as of March 31, 2025 and December 31, 2024, including the fair value measurements and the levels of inputs used in determining those fair values. Amounts shown for PSEG include the amounts shown for PSE&G.

Recurring Fair Value Measurements as of March 31, 2025								
Description	Total	Netting (E)	Quoted Market	Significant Other	Significant	Unobservable		
			Prices for Identical				Observable Inputs	Inputs
			Assets				(Level 2)	(Level 3)
			(Level 1)					
			Millions					
PSEG								
Assets:								
Cash Equivalents (A)	\$ 750	\$ —	\$ 750	\$ —	\$ —	\$ —		
Derivative Contracts:								
Energy-Related Contracts (B)	\$ 64	\$ (1,432)	\$ 1	\$ 1,495	\$ —	\$ —		
Interest Rate Derivatives (C)	\$ 7	\$ —	\$ —	\$ 7	\$ —	\$ —		
NDT Fund (D)								
Equity Securities	\$ 1,390	\$ —	\$ 1,390	\$ —	\$ —	\$ —		
Debt Securities—U.S. Treasury	\$ 365	\$ —	\$ —	\$ 365	\$ —	\$ —		
Debt Securities—Govt Other	\$ 410	\$ —	\$ —	\$ 410	\$ —	\$ —		
Debt Securities—Corporate	\$ 530	\$ —	\$ —	\$ 530	\$ —	\$ —		
Rabbi Trust (D)								
Equity Securities	\$ 15	\$ —	\$ 15	\$ —	\$ —	\$ —		
Debt Securities—U.S. Treasury	\$ 57	\$ —	\$ —	\$ 57	\$ —	\$ —		
Debt Securities—Govt Other	\$ 28	\$ —	\$ —	\$ 28	\$ —	\$ —		
Debt Securities—Corporate	\$ 65	\$ —	\$ —	\$ 65	\$ —	\$ —		
Liabilities:								
Derivative Contracts:								
Energy-Related Contracts (B)	\$ (94)	\$ 1,637	\$ (2)	\$ (1,728)	\$ (1)	\$ (1)		
Interest Rate Derivatives (C)	\$ (7)	\$ —	\$ —	\$ (7)	\$ —	\$ —		
PSE&G								
Assets:								
Cash Equivalents (A)	\$ 480	\$ —	\$ 480	\$ —	\$ —	\$ —		
Rabbi Trust (D)								
Equity Securities	\$ 3	\$ —	\$ 3	\$ —	\$ —	\$ —		
Debt Securities—U.S. Treasury	\$ 10	\$ —	\$ —	\$ 10	\$ —	\$ —		
Debt Securities—Govt Other	\$ 5	\$ —	\$ —	\$ 5	\$ —	\$ —		
Debt Securities—Corporate	\$ 12	\$ —	\$ —	\$ 12	\$ —	\$ —		

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Description	Recurring Fair Value Measurements as of December 31, 2024							
	Total	Netting (E)	Quoted Market	Significant Other	Significant	Unobservable		
			Prices for Identical				Observable Inputs	Inputs
			Assets (Level 1)				(Level 2)	(Level 3)
Millions								
PSEG								
Assets:								
Cash Equivalents (A)	\$ 100	\$ —	\$ 100	\$ —	\$ —	\$ —		
Derivative Contracts:								
Energy-Related Contracts (B)	\$ 52	\$ (726)	\$ 2	\$ 776	\$ —	\$ —		
Interest Rate Derivatives (C)	\$ 32	\$ —	\$ —	\$ 32	\$ —	\$ —		
NDT Fund (D)								
Equity Securities	\$ 1,380	\$ —	\$ 1,380	\$ —	\$ —	\$ —		
Debt Securities—U.S. Treasury	\$ 366	\$ —	\$ —	\$ 366	\$ —	\$ —		
Debt Securities—Govt Other	\$ 397	\$ —	\$ —	\$ 397	\$ —	\$ —		
Debt Securities—Corporate	\$ 503	\$ —	\$ —	\$ 503	\$ —	\$ —		
Rabbi Trust (D)								
Equity Securities	\$ 17	\$ —	\$ 17	\$ —	\$ —	\$ —		
Debt Securities—U.S. Treasury	\$ 55	\$ —	\$ —	\$ 55	\$ —	\$ —		
Debt Securities—Govt Other	\$ 28	\$ —	\$ —	\$ 28	\$ —	\$ —		
Debt Securities—Corporate	\$ 65	\$ —	\$ —	\$ 65	\$ —	\$ —		
Liabilities:								
Derivative Contracts:								
Energy-Related Contracts (B)	\$ (9)	\$ 847	\$ (3)	\$ (852)	\$ (1)	\$ (1)		
PSE&G								
Assets:								
Cash Equivalents (A)	\$ 70	\$ —	\$ 70	\$ —	\$ —	\$ —		
Rabbi Trust (D)								
Equity Securities	\$ 3	\$ —	\$ 3	\$ —	\$ —	\$ —		
Debt Securities—U.S. Treasury	\$ 10	\$ —	\$ —	\$ 10	\$ —	\$ —		
Debt Securities—Govt Other	\$ 5	\$ —	\$ —	\$ 5	\$ —	\$ —		
Debt Securities—Corporate	\$ 12	\$ —	\$ —	\$ 12	\$ —	\$ —		

(A)Represents money market mutual funds.

(B)Level 1—These contracts represent natural gas futures contracts executed on an exchange, and are being valued solely on settled pricing inputs which come directly from the exchange.

Level 2—Fair values for energy-related contracts are obtained primarily using a market-based approach. Most derivative contracts (forward purchase or sale contracts and swaps) are valued using settled prices from similar assets and liabilities from an exchange, such as NYMEX, ICE and Nodal Exchange, or auction prices. Prices used in the valuation process are also corroborated independently by management to determine that values are based on actual transaction data or, in the absence of transactions, bid and offers for the day. Examples may include certain exchange and non-exchange traded capacity and electricity contracts and natural gas physical or swap contracts based on market prices, basis adjustments and other premiums where adjustments and premiums are not considered significant to the overall inputs.

Level 3—Unobservable inputs are used for the valuation of certain contracts. See “Additional Information Regarding Level 3 Measurements” for more information on the utilization of unobservable inputs.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(C)Interest rate derivatives are valued using quoted prices on commonly quoted intervals, which are interpolated for periods different than the quoted intervals, as inputs to a market valuation model. Market inputs can generally be verified and model selection does not involve significant management judgment.

(D)The NDT Fund maintains investments in various equity and fixed income securities. The Rabbi Trust maintains investments in a Russell 3000 index fund and various fixed income securities. These securities are generally valued with prices that are either exchange provided (equity securities) or market transactions for comparable securities and/or broker quotes (fixed income securities). The fair value measurement table excludes any cash and foreign currency included in these trusts. For additional information, see Note 6. Trust Investments.

Level 1—Investments in marketable equity securities within the NDT Fund are primarily investments in common stocks across a broad range of industries and sectors. Most equity securities are priced utilizing the principal market close price or, in some cases, midpoint, bid or ask price. Certain other equity securities in the NDT and Rabbi Trust Funds consist primarily of investments in money market funds which seek a high level of current income as is consistent with the preservation of capital and the maintenance of liquidity. To pursue its goals, the funds normally invest in diversified portfolios of high quality, short-term, dollar-denominated debt securities and government securities. The funds' net asset value is priced and published daily. The Rabbi Trust's Russell 3000 index fund is valued based on quoted prices in an active market and can be redeemed daily without restriction.

Level 2—NDT and Rabbi Trust fixed income securities include investment grade corporate bonds, collateralized mortgage obligations, asset-backed securities and certain government and U.S. Treasury obligations or Federal Agency asset-backed securities and municipal bonds with a wide range of maturities. Since many fixed income securities do not trade on a daily basis, they are priced using an evaluated pricing methodology that varies by asset class and reflects observable market information such as the most recent exchange price or quoted bid for similar securities. Market-based standard inputs typically include benchmark yields, reported trades, broker/dealer quotes and issuer spreads. Certain short-term investments are valued using observable market prices or market parameters such as time-to-maturity, coupon rate, quality rating and current yield.

(E)Represents the netting of fair value balances with the same counterparty (where the right of offset exists) and the application of collateral. See Note 10. Financial Risk Management Activities for additional detail.

Additional Information Regarding Level 3 Measurements

For valuations that include both observable and unobservable inputs, if the unobservable input is determined to be significant to the overall inputs, the entire valuation is categorized in Level 3. This includes derivatives valued using indicative price quotations for contracts with tenors that extend into periods with no observable pricing. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks such as liquidity, volatility and contract duration. Such instruments are categorized in Level 3 because the model inputs generally are not observable. PSEG considers credit and non-performance risk in the valuation of derivative contracts categorized in Levels 2 and 3, including both historical and current market data, in its assessment of credit and non-performance risk by counterparty. The impacts of credit and non-performance risk were not material to the financial statements.

As of March 31, 2025, PSEG carried \$3.6 billion of net assets that were measured at fair value on a recurring basis, of which \$1 million of liabilities were measured using unobservable inputs and classified as Level 3 within the fair value hierarchy and are considered immaterial.

As of March 31, 2024, PSEG carried \$3.9 billion of net assets that were measured at fair value on a recurring basis.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Fair Value of Debt

The estimated fair values, carrying amounts and methods used to determine the fair value of long-term debt as of March 31, 2025 and December 31, 2024 are included in the following table and accompanying notes.

	As of March 31, 2025		As of December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Millions			
Long-Term Debt:				
PSEG (A)	\$ 5,860	\$ 5,814	\$ 4,866	\$ 4,754
PSE&G (A)	15,888	14,398	14,998	13,337
PSEG Power (B)	1,250	1,250	1,250	1,250
Total Long-Term Debt	\$ 22,998	\$ 21,462	\$ 21,114	\$ 19,341

(A) Given that these bonds do not trade actively, the fair value amounts of taxable debt securities (primarily Level 2 measurements) are generally determined by a valuation model using market-based measurements that are processed through a rules-based pricing methodology. The fair value amounts above do not represent the price at which the outstanding debt may be called for redemption by each issuer under their respective debt agreements.

(B) Private term loan with book value approximating fair value (Level 2 measurement).

Note 12. Net Other Income (Deductions)

	PSE&G	PSEG Power & Other (A) Millions	Consolidated
Three Months Ended March 31, 2025			
NDT Fund Interest and Dividends	\$ —	\$ 20	\$ 20
Allowance for Funds Used During Construction	11	—	11
Solar Loan Interest	1	—	1
Other Interest	3	4	7
Other	1	(3)	(2)
Total Net Other Income (Deductions)	\$ 16	\$ 21	\$ 37
Three Months Ended March 31, 2024			
NDT Fund Interest and Dividends	\$ —	\$ 17	\$ 17
Allowance for Funds Used During Construction	11	—	11
Solar Loan Interest	2	—	2
Other Interest	2	5	7
Other	1	(3)	(2)
Total Net Other Income (Deductions)	\$ 16	\$ 19	\$ 35

(A) PSEG Power & Other consists of activity at PSEG Power, Energy Holdings, PSEGLI, Services, PSEG (parent company) and intercompany eliminations.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 13. Income Taxes

A reconciliation of reported income tax expense for PSEG with the amount computed by multiplying pre-tax income by the statutory federal income tax rate of 21% is as follows:

PSEG	Three Months Ended March 31,	
	2025	2024
	Millions	
Pre-Tax Income	\$ 617	\$ 629
Tax Computed at Statutory Rate @ 21%	\$ 130	\$ 132
Increase (Decrease) Attributable to Flow-Through of Certain Tax Adjustments:		
State Income Taxes (net of federal income tax)	45	40
GPRC-CEF-EE	(16)	(15)
Estimated Annual Effective Tax Rate Interim Period Adjustment	(37)	(17)
TAC	(96)	(43)
Other	2	—
Subtotal	(102)	(35)
Total Income Tax Expense	\$ 28	\$ 97
Effective Income Tax Rate	4.5%	15.4%

A reconciliation of reported income tax expense for PSE&G with the amount computed by multiplying pre-tax income by the statutory federal income tax rate of 21% is as follows:

PSE&G	Three Months Ended March 31,	
	2025	2024
	Millions	
Pre-Tax Income	\$ 590	\$ 580
Tax Computed at Statutory Rate @ 21%	\$ 124	\$ 122
Increase (Decrease) Attributable to Flow-Through of Certain Tax Adjustments:		
State Income Taxes (net of federal income tax)	43	41
GPRC-CEF-EE	(16)	(15)
TAC	(96)	(43)
Other	(11)	(13)
Subtotal	(80)	(30)
Total Income Tax Expense	\$ 44	\$ 92
Effective Income Tax Rate	7.5%	15.9%

PSEG's and PSE&G's total income tax expense (benefit) for interim periods is determined using an estimated annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter, PSEG and PSE&G update the respective estimated annual effective tax rates, and if the estimated tax rate changes, PSEG and PSE&G make cumulative adjustments.

In August 2022, the Inflation Reduction Act (IRA) was signed into law. The IRA enacted a new 15% corporate alternative minimum tax (CAMT), which is based on adjusted financial statement income, effective in 2023, and made certain changes to existing energy tax credit laws.

PSEG determined that it was not subject to the CAMT for 2024 as it was not an applicable corporation in accordance with the statute. Under the same criteria, PSEG determined that it is an applicable corporation in 2025 and therefore it is subject to the

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CAMT in 2025. The impact of the CAMT for the quarter ended March 31, 2025 was not material. In September 2024, the U.S. Treasury issued proposed CAMT regulations on which taxpayers are not required to rely. The proposed CAMT regulations and certain relevant rules remain unclear and require further guidance. As such, the impact of the CAMT on PSEG's and PSE&G's financial statements is subject to continued evaluation.

The IRA established a new PTC for existing qualified nuclear generation facilities, effective 2024 through 2032, a new technology neutral energy tax credit, which applies to both new nuclear units and increases to nuclear generation capacity, effective 2025, and the transferability of energy tax credits, effective 2023.

The PTC for a given nuclear facility can be multiplied by five if prevailing wage requirements are met, and the value of the PTC is designed to phase out as the facility's gross receipts increase. Both the PTC rate and phase out amount are subject to the Internal Revenue Service's determination of annual inflation beginning in 2025.

PSEG's estimated full year 2025 gross receipts from its nuclear operations are above the phase out amount, therefore, PSEG did not record a PTC benefit during the quarter ended March 31, 2025. The financial statement impacts from the PTC are subject to change based on several factors, including but not limited to, adjustments to estimated market prices and generation, and the issuance of authoritative guidance by Treasury/the Internal Revenue Service, including clarification of the definition of "gross receipts" used to determine the phase out. Any adjustments to amounts previously recorded could be material.

The enactment of additional federal or state tax legislation and clarification of previously enacted tax laws could impact PSEG's and PSE&G's financial statements.

Note 14. Accumulated Other Comprehensive Income (Loss), Net of Tax

Accumulated Other Comprehensive Income (Loss)	Cash Flow Hedges	Three Months Ended March 31, 2025			Total
		Pension and OPEB Plans	Available-for- Sale Securities	Millions	
Balance as of December 31, 2024	\$ 36	\$ (76)	\$ (93)	\$	(133)
Other Comprehensive Income (Loss) before Reclassifications	(20)	—	15		(5)
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	—	1	1		2
Net Current Period Other Comprehensive Income (Loss)	\$ (20)	\$ 1	\$ 16	\$	(3)
Balance as of March 31, 2025	\$ 16	\$ (75)	\$ (77)	\$	(136)

Accumulated Other Comprehensive Income (Loss)	Cash Flow Hedges	Three Months Ended March 31, 2024			Total
		Pension and OPEB Plans	Available-for- Sale Securities	Millions	
Balance as of December 31, 2023	\$ 3	\$ (102)	\$ (80)	\$	(179)
Other Comprehensive Income (Loss) before Reclassifications	20	—	(12)		8
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	(2)	2	2		2
	18	2	(10)		10
Net Current Period Other Comprehensive Income (Loss)					
Balance as of March 31, 2024	\$ 21	\$ (100)	\$ (90)	\$	(169)

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**Amounts Reclassified from Accumulated Other Comprehensive
Income (Loss) to Statement of Operations
Three Months Ended
March 31, 2025**

Description of Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	Location of Pre-Tax Amount In Statement of Operations	Pre-Tax Amount	Tax (Expense) Benefit Millions	After-Tax Amount
Cash Flow Hedges				
Interest Rate Derivatives	Interest Expense	\$ 1	\$ (1)	\$ —
Total Cash Flow Hedges		1	(1)	—
Pension and OPEB Plans				
Amortization of Net Actuarial Loss	Net Non-Operating Pension and OPEB Credits (Costs)	(2)	1	(1)
Total Pension and OPEB Plans		(2)	1	(1)
Available-for-Sale Debt Securities				
Realized Gains (Losses)	Net Gains (Losses) on Trust Investments	(1)	—	(1)
Total Available-for-Sale Debt Securities		(1)	—	(1)
Total		<u>\$ (2)</u>	<u>\$ —</u>	<u>\$ (2)</u>

**Amounts Reclassified from Accumulated Other Comprehensive
Income (Loss) to Statement of Operations
Three Months Ended
March 31, 2024**

Description of Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)	Location of Pre-Tax Amount In Statement of Operations	Pre-Tax Amount	Tax (Expense) Benefit Millions	After-Tax Amount
Cash Flow Hedges				
Interest Rate Derivatives	Interest Expense	\$ 3	\$ (1)	\$ 2
Total Cash Flow Hedges		3	(1)	2
Pension and OPEB Plans				
Amortization of Net Actuarial Loss	Net Non-Operating Pension and OPEB Credits (Costs)	(3)	1	(2)
Total Pension and OPEB Plans		(3)	1	(2)
Available-for-Sale Debt Securities				
Realized Gains (Losses)	Net Gains (Losses) on Trust Investments	(4)	2	(2)
Total Available-for-Sale Debt Securities		(4)	2	(2)
Total		<u>\$ (4)</u>	<u>\$ 2</u>	<u>\$ (2)</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 15. Earnings Per Share (EPS) and Dividends

EPS

Basic EPS is calculated by dividing Net Income by the weighted average number of shares of common stock outstanding. Diluted EPS is calculated by dividing Net Income by the weighted average number of shares of common stock outstanding, plus dilutive potential shares related to PSEG's stock based compensation. The following table shows the effect of these dilutive potential shares on the weighted average number of shares outstanding used in calculating diluted EPS:

	Three Months Ended March 31,			
	2025		2024	
	Basic	Diluted	Basic	Diluted
EPS Numerator (Millions):				
Net Income	<u>\$ 589</u>	<u>\$ 589</u>	<u>\$ 532</u>	<u>\$ 532</u>
EPS Denominator (Millions):				
Weighted Average Common Shares Outstanding	498	498	499	499
Effect of Stock Based Compensation Awards	—	2	—	1
Total Shares	<u>498</u>	<u>500</u>	<u>499</u>	<u>500</u>
EPS				
Net Income	<u>\$ 1.18</u>	<u>\$ 1.18</u>	<u>\$ 1.07</u>	<u>\$ 1.06</u>

Dividends

	Three Months Ended March 31,	
	2025	2024
Dividend Payments on Common Stock		
Per Share	\$ 0.63	\$ 0.60
In Millions	\$ 314	\$ 299

On April 22, 2025, PSEG's Board of Directors approved a \$0.63 per share common stock dividend for the second quarter of 2025.

Note 16. Financial Information by Business Segment

PSE&G

The PSE&G reportable segment earns revenues from its tariffs, under which it provides electric transmission and electric and gas distribution services to residential, commercial and industrial customers in New Jersey. The rates charged for electric transmission are regulated by FERC while the rates charged for electric and gas distribution are regulated by the BPU. Revenues are also earned from several other activities such as investments in EE equipment on customers' premises, solar investments, the appliance service business and other miscellaneous services.

PSEG Power & Other

This reportable segment is comprised primarily of PSEG Power which earns revenues primarily by selling energy and capacity into the markets for these products. PSEG Power also enters into bilateral contracts for energy, gas and other energy-related contracts to optimize the value of its portfolio of generating assets and gas supply obligations. PSEG Power's Salem 1, Salem 2 and Hope Creek nuclear plants receive ZEC revenue from the EDCs in New Jersey, including PSE&G.

This reportable segment also includes amounts applicable to PSEGLI, which generates revenues under its contract with LIPA, primarily for the recovery of costs when Servco is a principal in the transaction (see Note 3. Variable Interest Entity for additional information) as well as fixed and variable fee components under the contract, and Energy Holdings which holds an

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

immaterial portfolio of remaining lease investments. Other also includes amounts applicable to PSEG (parent company) and Services.

	PSE&G	PSEG Power & Other (A)	Eliminations (B) Millions	Consolidated Total
Three Months Ended March 31, 2025				
Operating Revenues	\$ 2,664	\$ 1,092	\$ (534)	\$ 3,222
Energy Costs	1,094	626	(534)	1,186
Controllable Operation and Maintenance (C)	354	179	—	533
Depreciation and Amortization	280	40	—	320
Interest Income	4	5	(1)	8
Interest Expense	157	85	(1)	241
Income Tax Expense (Benefit)	44	(16)	—	28
Other Segment Items (D)	193	140	—	333
Net Income	\$ 546	\$ 43	\$ —	\$ 589
Gross Additions to Long-Lived Assets	\$ 605	\$ 54	\$ (31)	\$ 628
Three Months Ended March 31, 2024				
Operating Revenues	\$ 2,333	\$ 872	\$ (445)	\$ 2,760
Energy Costs	928	514	(445)	997
Controllable Operation and Maintenance (C)	313	160	—	473
Depreciation and Amortization	257	38	—	295
Interest Income	4	6	(1)	9
Interest Expense	138	68	(1)	205
Income Tax Expense (Benefit)	92	5	—	97
Other Segment Items (D)	121	49	—	170
Net Income	\$ 488	\$ 44	\$ —	\$ 532
Gross Additions to Long-Lived Assets	\$ 739	\$ 58	\$ —	\$ 797
As of March 31, 2025				
Total Assets	\$ 47,400	\$ 8,662	\$ (487)	\$ 55,575
Investments in Equity Method Subsidiaries	\$ —	\$ 23	\$ —	\$ 23
As of December 31, 2024				
Total Assets	\$ 46,364	\$ 8,673	\$ (397)	\$ 54,640
Investments in Equity Method Subsidiaries	\$ —	\$ 21	\$ —	\$ 21

(A) PSEG Power & Other results include net after-tax gains (losses) of \$(135) million and \$(186) million for the three months ended March 31, 2025 and 2024, respectively, related to the impacts of non-trading commodity mark-to-market activity, which consists of the financial impact from positions with future delivery dates.

(B) Intercompany eliminations primarily relate to intercompany transactions between PSE&G and PSEG Power. For a further discussion of the intercompany transactions between PSE&G and PSEG Power, see Note 2. Revenues and Note 17. Related-Party Transactions.

(C) Controllable Operation and Maintenance expense includes amounts for labor and benefit costs, materials, outside services and other normal operational costs, including intersegment amounts, and is the significant expense information that is regularly provided to the Chief Operating Decision Maker (the Chief Executive Officer (CEO) for PSEG and PSE&G).

(D) Other Segment Items include all other items to reconcile to Net Income. This includes all other O&M (primarily related to clause related expenditures at PSE&G and expenditures for transactions in which Servco acts as principal

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

and controls the services provided to LIPA at PSEG Power & Other, each of which offset corresponding revenue amounts in those segments), non-operating pension and OPEB credits and costs, gains and losses on trust investments and other income and deductions.

Note 17. Related-Party Transactions

The following discussion relates to intercompany transactions, which are eliminated during the PSEG consolidation process in accordance with GAAP.

PSE&G

The financial statements for PSE&G include transactions with related parties presented as follows:

Related-Party Transactions	Three Months Ended March 31,	
	2025	2024
	Millions	
Billings from Affiliates:		
Net Billings from PSEG Power (A)	\$ 532	\$ 444
Administrative Billings from Services (B)	117	117
Total Billings from Affiliates	\$ 649	\$ 561

Related-Party Transactions	As of	
	March 31, 2025	December 31, 2024
	Millions	
Net Payable to PSEG Power (A)	\$ 179	\$ 209
Payable to Services (B)	128	116
Net Payable to PSEG (C)	142	37
Accounts Payable—Affiliated Companies	\$ 449	\$ 362
Working Capital Advances to Services (D)	\$ 33	\$ 33
Long-Term Accrued Taxes (Receivable) Payable	\$ 5	\$ (2)

(A) PSE&G has entered into a requirements contract with PSEG Power under which PSEG Power provides the gas supply services needed to meet PSE&G's BGSS and other contractual requirements. In addition, PSEG Power sells ZECs to PSE&G from its nuclear units under the ZEC program as approved by the BPU. The rates in the BGSS contract and for the ZEC sales are prescribed by the BPU. BGSS sales are billed and settled on a monthly basis. ZEC sales are billed on a monthly basis and settled annually following completion of each energy year. In addition, PSEG Power and PSE&G provide certain technical services for each other generally at cost in compliance with FERC and BPU affiliate rules.

(B) Services provides and bills administrative services to PSE&G at cost. In addition, PSE&G has other payables to Services, including amounts related to certain common costs, which Services pays on behalf of PSE&G.

(C) PSEG pays net wages and payroll taxes and receives reimbursement from its affiliated companies for their respective portions. PSEG and its subsidiaries file a consolidated federal income tax return and PSEG and PSE&G file state income tax returns, some of which are combined or unitary. Income taxes are allocated to PSEG's subsidiaries in accordance with a tax allocation agreement whereby each PSEG subsidiary's current and deferred tax expense is computed on a stand-alone basis. Each subsidiary is allocated an amount of tax similar to that which would be paid if it filed a separate income tax return, except for certain tax attributes and state apportionment results. If the result is a net tax liability, such amount shall be paid to PSEG. If there are NOLs and/or tax credits, the subsidiary shall receive payment for the tax savings from PSEG to the extent that PSEG is able to utilize those benefits.

(D) PSE&G has advanced working capital to Services. The amount is included in Other Noncurrent Assets on PSE&G's Consolidated Balance Sheets.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)

This combined MD&A is separately filed by Public Service Enterprise Group Incorporated (PSEG) and Public Service Electric and Gas Company (PSE&G). Information contained herein relating to any individual company is filed by such company on its own behalf.

PSEG's business consists of two reportable segments, PSE&G and PSEG Power LLC (PSEG Power) & Other, primarily comprised of our principal direct wholly owned subsidiaries, which are:

- **PSE&G**—which is a public utility engaged principally in the transmission of electricity and distribution of electricity and natural gas in certain areas of New Jersey. PSE&G is subject to regulation by the New Jersey Board of Public Utilities (BPU), the Federal Energy Regulatory Commission (FERC), and other federal and New Jersey state regulators. PSE&G also invests in regulated solar generation projects and energy efficiency (EE) and related programs in New Jersey, which are regulated by the BPU, and
- **PSEG Power**—which is an energy supply company that is comprised of the operations of merchant nuclear generating assets and fuel supply functions engaged in competitive energy sales via its principal direct wholly owned subsidiaries. PSEG Power's subsidiaries are subject to regulation by FERC, the Nuclear Regulatory Commission (NRC) and other federal regulators and state regulators in the states in which they operate.

The PSEG Power & Other reportable segment also includes amounts related to the parent company as well as PSEG's other direct wholly owned subsidiaries, which are: PSEG Long Island LLC (PSEG LI), which operates the Long Island Power Authority's (LIPA) transmission and distribution (T&D) system under an Operations Services Agreement (OSA); PSEG Energy Holdings L.L.C. (Energy Holdings), which primarily holds legacy lease investments and competitively bid, FERC regulated transmission; and PSEG Services Corporation (Services), which provides certain management, administrative and general services to PSEG and its subsidiaries at cost.

Our business discussion in Item 1. Business of our 2024 Annual Report on 10-K (Form 10-K) provides a review of the regions and markets where we operate and compete, as well as our strategy for conducting our businesses within these markets, focusing on operational excellence, financial strength and making disciplined investments. Our risk factor discussion in Item 1A. Risk Factors of Form 10-K provides information about factors that could have a material adverse impact on our businesses. The following supplements that discussion and the discussion included in the Executive Overview of 2024 and Future Outlook provided in Item 7 in our Form 10-K by describing significant events and business developments that have occurred during 2025 and changes to the key factors that we expect may drive our future performance. The following discussion refers to the Condensed Consolidated Financial Statements (Statements) and the Related Notes to Condensed Consolidated Financial Statements (Notes). This discussion should be read in conjunction with such Statements, Notes and the Form 10-K.

EXECUTIVE OVERVIEW OF 2025 AND FUTURE OUTLOOK

We are a public utility holding company that, acting through our wholly owned subsidiaries, is a predominantly regulated electric and gas utility and a nuclear generation business. Our business plan focuses on achieving growth by allocating capital primarily toward regulated investments in an effort to continue to improve the sustainability and predictability of our business and realizing the value of the consistent and reliable carbon free generation from our nuclear units. We are focused on investing to meet growing energy demand, modernize our energy infrastructure, improve reliability and resilience, increase EE and deliver clean energy to meet customer expectations and be well aligned with public policy objectives. With these investments and higher working capital recovery approved in the distribution rate case, our regulated rate base increased from approximately \$30 billion as of December 31, 2023 to approximately \$34 billion as of December 31, 2024. In addition, the passage of the Inflation Reduction Act of 2022 (IRA) established a production tax credit (PTC) for existing nuclear facilities from 2024 through 2032. The PTC is designed to provide downside price protection for our nuclear generation fleet as the tax credit value is directly linked to a nuclear facility's gross receipts.

For the years 2025-2029, our regulated capital investment program is estimated to be in a range of \$21 billion to \$24 billion. We expect these capital investments to result in a compound annual growth rate in our regulated rate base in a range of 6% to 7.5% from year-end 2024 to year-end 2029. The regulated capital investments represent the majority of PSEG's total capital investment program of \$22.5 billion to \$26 billion. The low end of the range includes an extension of our Gas System Modernization Program (GSMP) and Clean Energy Future (CEF)-EE program at their current average annual investment levels plus inflation, as these programs are expected to continue beyond their currently approved timeframes. The upper end of our capital investment range includes potential incremental investments to address continued demand growth and other investments to meet infrastructure needs and support New Jersey's clean energy goals.

PSEG&G

At PSEG&G, our focus is on investing capital in T&D infrastructure and clean energy programs to meet growing demand, enhance the reliability and resiliency of our T&D system, meet customer expectations and support public policy objectives.

In October 2024, the BPU approved our CEF-EE II filing authorizing approximately \$2.9 billion for energy efficiency projects committed between January 1, 2025 through June 30, 2027, and completed over an expected six-year period. The Order approved a program investment budget of approximately \$1.9 billion, net of administrative expenses, and approximately \$1 billion to continue our customer on-bill repayment program. This EE filing is a significant increase from our prior filings, driven by an increase in the savings targets required under the BPU Energy Efficiency Framework and higher costs to achieve those targeted savings.

In 2023, the BPU approved a two-year extension of our current GSMP II program to replace at least 400 miles of cast iron and unprotected steel mains and services in our gas system. The GSMP II program extension provides for main replacement through December 2025 plus trailing services replacement and paving costs into 2026 and totals approximately \$900 million of investment. Of the \$900 million, \$750 million is recovered through three periodic rate updates with the balance recovered through a future distribution base rate case. In addition, in January 2025 we re-started discussions regarding the GSMP III program which was initially filed in March 2023. PSEG&G intends to begin the new program in 2026.

Pursuant to our GSMP II and Energy Strong II programs, PSEG&G filed a distribution base rate case as required by the BPU. In October 2024, the BPU issued an Order approving the settlement of that case with new rates effective October 15, 2024. The Order provides for a \$17.8 billion rate base, a 9.6% return on equity for PSEG&G's distribution business and a 55% equity component of its capitalization structure. In addition, the Order approved mechanisms associated with the recovery of future storm costs as well as the recovery of annual pension and OPEB expenses beginning January 1, 2025.

PSEG Power

At PSEG Power, we seek to produce low-cost electricity by efficiently operating our nuclear generation assets, mitigate earnings volatility through the PTC mechanism and hedging, and support public policies that preserve these existing carbon-free base load nuclear generating plants. During the first three months of 2025, our nuclear units generated approximately 8.4 terawatt hours and operated at a capacity factor of 99.9%. Effective April 2025, PSEG Power revised the estimated useful lives for the Salem 1, Salem 2 and Hope Creek nuclear plants due to our expectation that a 20-year license extension will be approved for these facilities. Our hedging strategy continues to incorporate an estimated range of risk reduction impacts from the PTCs on our nuclear generation portfolio while retaining the ability to benefit when market pricing exceeds the phase out threshold. As of March 31, 2025, we expect that our hedged position for 2025 in conjunction with the PTC and market price variability will result in the realized value of our nuclear generation output being at, or above, the PTC phase out. Our strategy will continue to evolve given PTC guidance uncertainty, and potential incremental changes upon final U.S. Treasury guidance. In addition, we are exploring opportunities for the potential sale of power and/or emission credits from our nuclear facilities pursuant to long-term agreements.

Climate Strategy and Sustainability Efforts

For more than a century, our purpose has been to provide safe access to an around-the-clock supply of reliable, affordable energy. Today, our vision is to power a future where people use less energy, and it is cleaner, safer and delivered more reliably than ever. We have established a net zero greenhouse gas (GHG) emissions by 2030 goal that includes direct GHG emissions

(Scope 1) and indirect GHG emissions from operations (Scope 2) across our business operations, assuming advances in technology, public policy and customer behavior, which goal supports New Jersey's clean energy and climate goals.

PSE&G has undertaken a number of initiatives that support the reduction of GHG emissions, including our implementation of New Jersey's EE program. PSE&G's approved CEF-EE and EE II, CEF-Energy Cloud and CEF-EV programs and the proposed CEF-ES program are intended to support New Jersey's Energy Master Plan (EMP) and Gubernatorial Executive Orders through programs designed to help customers use energy more efficiently, reduce GHG emissions, support the expansion of the EV infrastructure in New Jersey, install energy storage capacity to supplement solar generation and enhance grid resiliency, install smart meters and supporting infrastructure to allow for the integration of other clean energy technologies and to more efficiently respond to weather and other outage events.

We continue to assess physical risks of climate change and adapt our capital investment program to improve the reliability and resiliency of our system in an environment of increasing frequency and severity of weather events. PSE&G is committed to the safe and reliable delivery of natural gas to approximately 1.9 million customers throughout New Jersey and we are equally committed to reducing GHG emissions associated with such operations. The GSMP is designed to improve safety and reliability and significantly reduce natural gas leaks in our distribution system, which would reduce the release of methane, a potent GHG, into the air. Through GSMP II, from 2018 through 2024 we reduced reported methane emissions by over 30% systemwide.

We also continue to focus on providing cleaner energy for our customers by working to preserve the economic viability of our nuclear units, which provide over 85% of the carbon-free energy in New Jersey. These efforts include reducing market risk by advocating for state and federal policies, such as the PTC established by the IRA, and capacity market reform and related generator interconnection policies at PJM Interconnection, L.L.C. (PJM) that recognize the value of our nuclear fleet's carbon-free generation and its contribution to grid reliability, and potential long-term contracts that recognize the value of its consistent and reliable carbon-free energy.

Competitively Bid, FERC Regulated Transmission Projects

PSEG continues to evaluate additional investment opportunities in regulated transmission. In December 2023, PJM awarded us an approximately \$424 million project to address increasing load and reliability issues in Maryland and northern Virginia as part of its 2022 Window 3 competitive solicitation. PJM has directed that the project be placed in service in 2027.

In April 2024, PSE&G submitted bids to the BPU for what the BPU has termed the Pre-Build Infrastructure (PBI) project, which is a combination of onshore and near-shore underwater infrastructure. It is unclear when the BPU may take action on this initiative, or parallel processes it has considered for transmission projects to support New Jersey's offshore wind goal.

PSEG will continue to evaluate opportunities to participate in transmission solicitation processes and may decide to submit bids for these opportunities, some of which could be material investments.

PSEG LI

PSEG's current contract as operations service provider for LIPA's electric transmission and distribution system runs through December 31, 2025. At an April 30, 2025 LIPA board meeting, the LIPA board of trustees voted against the recommendation from LIPA management to award the operations services agreement to a different electric service provider. PSEG awaits further information from LIPA regarding next steps in this process, the outcome of which is uncertain.

Financial Results

The results for PSEG, PSE&G and PSEG Power & Other for the three months ended March 31, 2025 and 2024 are presented as follows:

	Three Months Ended March 31,	
	2025	2024
	Millions, except per share data	
PSE&G	\$ 546	\$ 488
PSEG Power & Other (A)	43	44
PSEG Net Income	\$ 589	\$ 532
 PSEG Net Income Per Share (Diluted)	 \$ 1.18	 \$ 1.06

(A) Other includes after-tax activities at the parent company, PSEGLI, and Energy Holdings as well as intercompany eliminations.

PSEG Power's results above include the Nuclear Decommissioning Trust (NDT) Fund activity and the impacts of non-trading commodity mark-to-market (MTM) activity, which consist of the financial impact from positions with future delivery dates.

The variances in our Net Income attributable to changes related to the NDT Fund and MTM are shown in the following table:

	Three Months Ended March 31,	
	2025	2024
	Millions, after tax	
NDT Fund and Related Activity (A) (B)	\$ 6	\$ 57
Non-Trading MTM Gains (Losses) (C)	\$ (135)	\$ (186)

(A) NDT Fund activity includes gains and losses on NDT securities which are recorded in Net Gains (Losses) on Trust Investments. See Item 1. Note 6. Trust Investments for additional information. NDT Fund activity also includes interest and dividend income and other costs related to the NDT Fund recorded in Net Other Income (Deductions), interest accretion expense on PSEG Power's nuclear Asset Retirement Obligation (ARO) recorded in Operation and Maintenance (O&M) Expense and the depreciation related to the ARO asset recorded in Depreciation and Amortization (D&A) Expense.

(B) Net of tax expense of \$6 million and \$38 million for the three months ended March 31, 2025 and 2024, respectively.

(C) Net of tax benefit of \$53 million and \$72 million for the three months ended March 31, 2025 and 2024, respectively.

Our Net Income for the three months ended March 31, 2025 variance versus the comparable period in 2024 was driven primarily by higher earnings due to continued investments in T&D clause programs and settlement of the distribution base rate case in October 2024 at PSE&G combined with changes related to MTM and NDT Fund activity, as discussed above.

Regulatory, Legislative and Other Developments

We closely monitor and engage with stakeholders on significant regulatory and legislative developments.

Transmission Rate Proceedings and Return on Equity (ROE)

Under current FERC rules, PSE&G continues to earn a 50 basis point adder to its base ROE for its membership in PJM as a transmission owner. In April 2021, FERC proposed eliminating this ROE adder for Regional Transmission Owner

participation. FERC has not acted on the proposal. If the adder was eliminated, it would reduce PSE&G's annual Net Income and annual cash inflows by approximately \$40 million.

New Jersey Clean Energy Stakeholder Proceedings

In February 2023, the governor of New Jersey issued executive orders (EOs) that establish or accelerate previously established 2050 targets for clean-sourced energy, building decarbonization, and EV adoption goals, with new target dates of 2030 or 2035, as applicable. The EOs direct the BPU and other state agencies to collaborate with stakeholders to develop plans to reach the targets and the BPU has convened a stakeholder proceeding to develop a plan for gas distribution utilities to reach the target of 50% natural gas emissions reductions over 2006 levels by 2030. The BPU commenced proceedings to update the State's EMP in 2024 that are continuing. We are unable to predict the outcomes of this proceeding, but it could have a material impact on our business, results of operations and cash flows.

Environmental Regulation

We are subject to liability under environmental laws for the costs and penalties of remediating contamination of property now or formerly owned by us and of property contaminated by hazardous substances that we generated. In particular, the historic operations of PSEG companies and the operations of numerous other companies along the Passaic and Hackensack Rivers are alleged by federal and state agencies to have discharged substantial contamination into the Passaic River/Newark Bay Complex in violation of various statutes. In addition, PSEG Power has retained ownership of certain liabilities excluded from the sale of its fossil generation portfolio, primarily related to obligations under New Jersey and Connecticut state laws to investigate and remediate the sites. We are also currently involved in a number of proceedings relating to sites where other hazardous substances may have been discharged and may be subject to additional proceedings in the future, and the costs and penalties of any such remediation efforts could be material.

For further information regarding the matters described above, as well as other matters that may impact our financial condition and results of operations, see Item 1. Note 8. Commitments and Contingent Liabilities.

Nuclear

In April 2021, PSEG Power's Salem 1, Salem 2 and Hope Creek nuclear plants were awarded zero emission certificates (ZECs) for the three-year eligibility period starting June 2022 at the same approximate \$10 per megawatt hour (MWh) received during the prior ZEC period through May 2025. Pursuant to a process established by the BPU, ZECs are purchased from selected nuclear plants and recovered through a non-bypassable distribution charge in the amount of \$0.004 per kilowatt-hour used (which is equivalent to approximately \$10 per MWh generated in payments to selected nuclear plants (ZEC payment)). As previously noted, in August 2022, the IRA was signed into law expanding incentives promoting carbon-free generation. The enacted legislation established a PTC for electricity generated using existing nuclear energy, which began January 2024 and continues through 2032 and impacted PSEG Power's decision not to apply for the next ZEC three-year eligibility period starting June 2025. The expected PTC rate is up to \$15/MWh subject to adjustment based upon a facility's gross receipts. The PTC rate and the gross receipts threshold are subject to annual inflation adjustments. ZEC revenue recorded is reduced by the estimated PTCs generated from PSEG Power's Salem 1, Salem 2, and Hope Creek nuclear plants. The PTC amounts recorded to date are subject to change based on several factors, including but not limited to, adjustments to estimated market prices and generation and the issuance of authoritative guidance by Treasury/the Internal Revenue Service, including clarification of the definition of "gross receipts" used to determine the phase out. Any adjustments to amounts previously recorded could be material. We continue to analyze the impact of the IRA on our nuclear units, and will analyze any future guidance from the U.S. Treasury to assess any impact of PTCs on expected ZEC payments and/or any future ZEC application periods.

Demand, Supply and Energy Costs

An increasing demand for power and a lack of sufficient new generation resources in PJM and in New Jersey, has raised resource adequacy concerns and will result in higher electricity costs for our customers this year. Prices from the July 2024 PJM annual capacity market auction, which were approximately 10 times higher than prices from the 2023 auction and which will be reflected in customer bills, have provoked concern from state regulators and legislators and could create regulatory uncertainty. In April 2025, citing the anticipated rate impacts from the PJM capacity auction results, the BPU directed the state's EDCs, including PSE&G, to file petitions in the near future, providing proposals to mitigate bill impacts to customers. PSE&G is preparing its required filing.

Interest Rate Matters

PSEG's long-term financing plan is designed to replace maturities and support funding its capital program. Given our financing needs, the prevailing interest rate environment will be a key factor in determining interest expense on variable-rate debt and long-term rates on future financing plans. In order to increase the predictability of interest expense, we may use interest rate hedges to help limit our exposure to fluctuating interest rates. In addition, from time to time, we may enter into interest rate hedges to fix a portion of our interest rate exposure for anticipated long-term financing plans at PSEG and PSEG Power. PSE&G's interest rate risk is moderated due to annual transmission rate filings and distribution recoveries through base rate filings and clause-based investment programs.

Executive Orders

There have been a number of federal executive orders over the recent months, including but not limited to orders addressing power generation in the energy industry and orders imposing widespread and substantial tariffs on imports. Although certain of these tariffs have been temporarily stayed, the situation is fluid and subject to rapid change. We are continuing to monitor the federal executive orders, certain of which will require the enactment of regulations to implement, and whether tariffs and any resulting retaliatory trade measures taken against the U.S., could disrupt or impact our supply chain, business, cash flow, results of operations and or financial condition.

Tax Legislation

The enactment, amendment or repeal of federal or state tax legislation and/or the clarification of previously enacted tax laws could have a material impact on our effective tax rate and cash tax position.

In April 2023, the U.S. Treasury issued Revenue Procedure 2023-15 that provides a safe harbor method of accounting to determine the annual repair tax deduction for gas T&D property. The impact, if any, that this may have on PSEG and PSE&G's financial statements has not yet been determined.

The IRA enacted a new 15% corporate alternative minimum tax (CAMT), which is based on adjusted financial statement income, a PTC for existing nuclear generation facilities, discussed above, and allows energy tax credits to be transferable. Many aspects of the IRA, including the CAMT and PTC, remain unclear and are in need of further guidance; therefore, we continue to analyze the impact the IRA will have on PSEG's and PSE&G's results of operations, financial condition and cash flows, which could be material.

Future Outlook

Our future success will be influenced by our ability to continue to maintain strong operational and financial performance, address regulatory and legislative developments that impact our business and respond to the issues and challenges described below. In order to do this, we will seek to:

- obtain approval of and execute on our utility capital investment program to modernize our infrastructure, improve the reliability and resilience of the service we provide to our customers, and align our sustainability and climate goals with New Jersey's energy policy,
- obtain a fair return for our T&D investments through our transmission formula rate, existing rate incentives, distribution infrastructure and clean energy investment programs and periodic distribution base rate case proceedings,
- focus on controlling costs while maintaining safety, reliability and customer satisfaction and complying with applicable standards and requirements,
- manage the risks and opportunities in federal and state policies related to energy,
- advocate for appropriate regulatory guidance on the PTC to ensure long-term support for New Jersey's largest carbon-free generation resource, and adapt our hedging program accordingly, and realize the value of our consistent and reliable, carbon-free nuclear output,
- engage constructively with our multiple stakeholders, including regulators, government officials, customers, employees, investors, suppliers and the communities in which we do business or are seeking to do business, and
- deliver on our human capital management strategy to attract, develop and retain a high-performing diverse workforce.

In addition to the risks described elsewhere in this Form 10-Q for 2025 and beyond, the key issues and challenges we expect our business to confront include:

- regulatory and political uncertainty, both with regard to transmission planning and rates policy, the role of distribution utilities and decarbonization impacts, future energy policy, tax regulations, design of energy and capacity markets, and environmental regulation, as well as with respect to the outcome of any legal, regulatory or other proceedings,
- performance of the financial markets, including the impact on our pension funding requirements and interest rates on our future financing plans,
- continuing to manage costs and maintain affordable customer rates in an inflationary environment, which could impact customer collections and future regulatory proceedings,
- the increasing frequency, sophistication and magnitude of cybersecurity attacks against us and our respective vendors and business partners who may have our sensitive information and/or access to our environment, and the increasing frequency and magnitude of physical attacks on electric and gas infrastructure,
- future changes in federal and state tax laws or any other associated tax guidance, and
- the impact of changes in energy demand, natural gas and electricity prices, PJM's challenge to ensure resource adequacy to meet demand growth, and expanded efforts to decarbonize several sectors of the economy.

We continually assess a broad range of strategic options to maximize long-term shareholder value and address the interests of our multiple stakeholders. We consider a wide variety of factors when determining how and when to efficiently deploy capital, including the performance and prospects of our businesses; returns and the sustainability and predictability of future earnings streams; the views of investors, regulators, public policy initiatives, rating agencies, customers and employees; our existing indebtedness and restrictions it imposes; and tax considerations, among other things. Strategic options available to us include:

- investments in PSE&G, including T&D facilities to enhance reliability, resiliency and modernize the system to meet the growing needs and increasingly higher expectations of customers, and clean energy investments, particularly our EE programs,
- continued operation of our nuclear generation facilities that are expected to be supported by the PTC through 2032 and can enable certain investments to increase the capacity of the units as well as potential license extensions, nuclear capacity uprates, transition from an 18-month to 24-month refueling cycle at our Hope Creek facility and energy and/or emission credit sales with potential customers seeking consistent and reliable carbon-free power,
- investments in competitive, regulated transmission investments through PJM processes and BPU solicitations that provide revenue predictability and reasonable risk-adjusted returns, and
- acquisitions, dispositions, development and other transactions involving our common stock, assets or businesses that could provide value to customers and shareholders.

There can be no assurance, however, that we will successfully develop and execute any of the strategic options noted above, or any additional options we may consider in the future. The execution of any such strategic plan may not have the expected benefits or may have unexpected adverse consequences.

RESULTS OF OPERATIONS

PSEG

Our results of operations are comprised of the results of operations of our reportable segments, PSE&G and PSEG Power & Other, excluding charges related to intercompany transactions, which are eliminated in consolidation. For additional information on intercompany transactions, see Item 1. Note 17. Related-Party Transactions.

	Three Months Ended March 31,		Increase/ (Decrease) 2025 vs. 2024	
	2025	2024		%
	Millions		Millions	
Operating Revenues	\$ 3,222	\$ 2,760	\$ 462	17
Energy Costs	1,186	997	189	19
Operation and Maintenance (A)	919	783	136	17
Depreciation and Amortization	320	295	25	8
Net Gains (Losses) on Trust Investments	8	95	(87)	(92)
Net Other Income (Deductions)	37	35	2	6
Net Non-Operating Pension and OPEB Credits (Costs)	16	19	(3)	(16)
Interest Expense	241	205	36	18
Income Tax Expense (Benefit)	28	97	(69)	(71)

(A) Includes amortization of EE programs regulatory investment expenditures of \$38 million and \$27 million for the three months ended March 31, 2025 and 2024, respectively.

The following discussions for PSE&G and PSEG Power & Other provide a detailed explanation of their respective variances.

PSE&G

	Three Months Ended March 31,		Increase/ (Decrease) 2025 vs. 2024	
	2025	2024		%
	Millions		Millions	
Operating Revenues	\$ 2,664	\$ 2,333	\$ 331	14
Energy Costs	1,094	928	166	18
Operation and Maintenance (A)	576	465	111	24
Depreciation and Amortization	280	257	23	9
Net Other Income (Deductions)	16	16	—	—
Net Non-Operating Pension and OPEB Credits (Costs)	17	19	(2)	(11)
Interest Expense	157	138	19	14
Income Tax Expense	44	92	(48)	(52)

(A) Includes amortization of EE programs regulatory investment expenditures of \$38 million and \$27 million for the three months ended March 31, 2025 and 2024, respectively.

Three Months Ended March 31, 2025 as Compared to Three Months Ended March 31, 2024

Operating Revenues increased \$331 million due to changes in delivery, commodity, clause and other operating revenues.

Delivery Revenues are primarily derived from revenues recovered on our regulated investments in rate base and costs through periodic filings of distribution rate cases, approved distribution investment recovery programs and the annual filing of transmission formula rates. Due to PSE&G's electric and gas distribution CIP decoupling mechanism, there is minimal impact

from sales volumes on most distribution delivery revenues. Also included in delivery revenues are revenue credits to customers to flowback tax benefits realized by PSE&G. These revenue credits are offset in Income Tax Expense.

Delivery revenues increased \$147 million due primarily to a \$163 increase in electric and gas revenues as a result of the recently settled distribution base rate case, \$67 million increase in electric and gas volumes, \$23 million from increased GPRC revenues and a \$4 million increase in transmission revenues due primarily to higher rate base investments. These delivery revenue increases were offset by \$57 million due to an increase in revenue credits flowed back to customers as part of our TAC mechanism and a \$53 million decrease in CIP decoupling revenues.

Clause Revenues are revenues from various pass-through regulatory programs for which PSE&G earns no margin. These revenues are entirely offset by the amortization of related costs in O&M, D&A and Interest and Income Tax Expense, which were originally recognized as regulatory assets.

Clause Revenues increased \$11 million due primarily to a \$51 million increase in Societal Benefits Clause (SBC) collections, offset by a \$40 million decrease in TAC and GPRC deferrals.

Commodity Revenues are revenues from customers choosing default electric (basic generation service or BGS) and gas supply (basic gas supply service or BGSS) from PSE&G. PSE&G procures the BGS and BGSS on behalf of these retail customers and earns no margin on this service as all costs are passed back to the BGS and BGSS customers. The changes in Commodity Revenues for both electric and gas are entirely offset by changes in Energy Costs.

Commodity Revenues increased \$162 million due to higher electric BGS revenues of \$105 million from higher prices and sales volumes and higher gas BGSS revenues of \$57 million primarily from higher volumes.

Other Operating Revenues are primarily comprised of revenues derived from various GPRC programs including Transition Renewable Energy Certificates (TREC) revenues, Community Solar collections and the Successor Solar Incentive Program (SuSI). The revenues from these programs offset costs included in Energy Costs. In addition, other operating revenues include revenues from our Appliance Service Business (ASB) which offers various appliance protection and repair plans to customers.

Other Operating revenues increased \$11 million due primarily to net increases in ASB and GPRC related other operating revenues of \$5 million.

Operating Expenses

Energy Costs increased \$166 million. This is entirely offset by changes in Commodity Revenues and Other Operating Revenues.

Operation and Maintenance increased \$111 million due primarily to a \$66 million increase in clause and renewable costs, an \$11 million increase in net distribution and transmission expenditures and a net increase in other operational expenses.

Depreciation and Amortization increased \$23 million due primarily to an increase in depreciation due to higher plant placed in service and increased amortization of Regulatory Assets.

Interest Expense increased \$19 million due primarily to incremental debt and the replacement of maturing debt at higher rates.

Income Tax Expense decreased \$48 million due primarily to an increase in the flowback of previously realized distribution-related mixed service cost deductions.

PSEG Power & Other

	Three Months Ended March 31,		Increase/ (Decrease) 2025 vs. 2024	
	2025	2024		%
	Millions		Millions	
Operating Revenues	\$ 1,092	\$ 872	\$ 220	25
Energy Costs	626	514	112	22
Operation and Maintenance	343	318	25	8
Depreciation and Amortization	40	38	2	5
Net Gains (Losses) on Trust Investments	8	95	(87)	(92)
Net Other Income (Deductions)	22	20	2	10
Net Non-Operating Pension and OPEB Costs	(1)	—	(1)	N/A
Interest Expense	85	68	17	25
Income Tax Expense (Benefit)	(16)	5	(21)	N/A

Three Months Ended March 31, 2025 as Compared to Three Months Ended March 31, 2024

Operating Revenues increased \$220 million due primarily to changes in generation and gas supply and other operating revenues.

Gas Supply Revenues increased \$135 million due primarily to

- a net increase of \$95 million in sales under the BGSS contract due primarily to \$63 million from higher sales volumes and \$32 million from higher sales prices,
- a net increase of \$27 million related to sales to third parties due primarily to \$51 million from higher sales prices, partially offset by \$24 million from lower sales volumes, and
- a net increase of \$13 million due primarily to lower MTM losses in 2025 as compared to 2024 from positions reclassified to realized upon settlement.

Generation Revenues increased \$81 million due primarily to

- a net increase of \$60 million due to lower MTM losses in 2025 as compared to 2024. Of this amount, there was a \$96 million increase due to positions reclassified to realized upon settlement, partially offset by a \$36 million decrease due to changes in forward prices in 2025 as compared to 2024, and
- a net increase of \$42 million due primarily to higher average realized prices and volumes sold in 2025.

Operating Expenses

Energy Costs represent the cost of generation, which includes fuel costs for generation as well as purchased energy in the market, and gas purchases to meet PSEG Power's obligation under its BGSS contract with PSE&G. Energy Costs increased \$112 million due to

Gas costs increased \$111 million due primarily to

- a net increase of \$89 million related to sales under the BGSS contract, of which \$52 million was due to higher send out volumes, and \$37 million was due to higher average cost of gas, and
- a net increase of \$18 million related to sales to third parties due primarily to \$31 million from higher average cost of gas, partially offset by \$13 million due to lower volumes sold.

Generation costs are flat as compared to the prior year.

Operation and Maintenance increased \$25 million due primarily to increased costs related to a planned refueling outage in 2025 and a net increase in other operational expenses.

Net Gains (Losses) on Trust Investments decreased \$87 million due primarily to net unrealized losses in 2025 as compared to net unrealized gains in 2024 on equity securities in the NDT Fund.

Interest Expense increased \$17 million due primarily to incremental debt and the replacement of maturing long-term debt at higher rates.

Income Tax Expense (Benefit) decreased \$21 million due primarily to lower qualified NDT Trust tax, lower pre-tax income, and excess tax benefits from stock based compensation.

LIQUIDITY AND CAPITAL RESOURCES

The following discussion of our liquidity and capital resources is on a consolidated basis, noting the uses and contributions, where material, of our two direct major operating subsidiaries.

Operating Cash Flows

We continue to expect our operating cash flows combined with cash on hand and financing activities to be sufficient to fund planned capital expenditures and shareholder dividends.

For the three months ended March 31, 2025, our operating cash flow increased \$388 million, as compared to the same period in 2024. The net increase was primarily due to a net change at PSE&G, as discussed below, combined with \$79 million in lower net cash collateral postings in 2025 as compared to the same period in 2024 at PSEG Power and higher tax refunds.

PSE&G

PSE&G's operating cash flow increased \$224 million from \$408 million to \$632 million for the three months ended March 31, 2025, as compared to the same period in 2024. The increase was due primarily to a net increase in regulatory deferrals, materials and supplies inventory management and timing of vendor payments.

Short-Term Liquidity

PSEG meets its short-term liquidity requirements, as well as those of PSEG Power, primarily through the issuance of commercial paper and, from time to time, short-term loans. PSE&G maintains its own separate commercial paper program to meet its short-term liquidity requirements. Each commercial paper program is fully back-stopped by its own separate credit facility.

Each of our credit facilities is restricted as to availability and use to the specific companies as listed below; however, if necessary, the PSEG facilities can also be used to support our subsidiaries' liquidity needs.

In March 2025, PSEG, PSEG Power and PSE&G executed a one year extension to their existing \$3.75 billion revolving credit facilities, extending the maturity through March 2029 and PSEG Power amended certain provisions in the Master Credit Facility including removal of subsidiary guarantees of PSEG Power obligations. The PSEG Power letter of credit facilities and term loans were also amended to be consistent with the Master Credit Facility, and the uncommitted credit facility at a subsidiary of PSEG Power was terminated.

Our total committed credit facilities and available liquidity as of March 31, 2025 were as follows:

Company/Facility	As of March 31, 2025			
	Total Facility	Usage Millions	Available Liquidity	
PSEG	\$ 1,500	\$ 14	\$ 1,486	
PSE&G	1,000	25	975	
PSEG Power	1,325	82	1,243	
Total	\$ 3,825	\$ 121	\$ 3,704	

PSEG Power has uncommitted credit facilities totaling \$200 million, which can be utilized for letters of credit. As of March 31, 2025, PSEG Power had \$112 million in letters of credit outstanding under these uncommitted credit facilities.

We continually monitor our liquidity and seek to add capacity as needed to meet our liquidity requirements, including to satisfy any additional collateral requirements. As of March 31, 2025, our liquidity position, including our credit facilities and access to external financing, was expected to be sufficient to meet our projected stressed requirements over our 12-month planning horizon. PSEG analyzes its liquidity requirements using stress scenarios that consider different events, including changes in commodity prices and the potential impact of PSEG Power losing its investment grade credit rating from S&P or Moody's, which would represent a two-level downgrade from its current Moody's and S&P ratings. In the event of a deterioration of PSEG Power's credit rating, certain of PSEG Power's agreements allow the counterparty to demand further performance assurance. The potential additional collateral that we would be required to post under these agreements if PSEG Power were to lose its investment grade credit rating was approximately \$722 million and \$618 million as of March 31, 2025 and December 31, 2024, respectively.

For additional information, see Item 1. Note 9. Debt and Credit Facilities.

Long-Term Debt Financing

During the next twelve months,

- PSEG has \$550 million of 0.80% Senior Notes maturing in August 2025,
- PSE&G has \$350 million of 3.00% Secured Medium-Term Notes, Series K, due May 2025,
- PSE&G has \$450 million of 0.95% Secured Medium-Term Notes Series N, due March 2026, and
- PSEG Power has \$1.25 billion of a variable rate term loan due June 2025.

PSEG, PSEG Power, Energy Holdings, PSEG LI and Services participate in a corporate money pool, an aggregation of daily cash balances designed to efficiently manage their respective short-term liquidity needs, which are accounted for as intercompany loans. Servco does not participate in the corporate money pool. Servco's short-term liquidity needs are met through an account funded and owned by LIPA.

For additional information see Item 1. Note 9. Debt and Credit Facilities.

Common Stock Dividends

On April 22, 2025, our Board of Directors approved a \$0.63 per share common stock dividend for the second quarter of 2025. This reflects an indicative annual dividend rate of \$2.52 per share. We expect to continue to pay cash dividends on our common stock; however, the declaration and payment of future dividends to holders of our common stock will be at the discretion of the Board of Directors and will depend upon many factors, including our financial condition, earnings, capital requirements of our businesses, alternate investment opportunities, legal requirements, regulatory constraints, industry practice and other factors that the Board of Directors deems relevant. For additional information related to cash dividends on our common stock, see Item 1. Note 15. Earnings Per Share (EPS) and Dividends.

Credit Ratings

If the rating agencies lower or withdraw our credit ratings, such revisions may adversely affect the market price of our securities and serve to materially increase our cost of capital and limit access to capital. Credit Ratings shown are for securities that we typically issue. Outlooks are shown for the credit ratings at each entity and can be Stable, Negative, or Positive. There is no assurance that the ratings will continue for any given period of time or that they will not be revised by the rating agencies, if in their respective judgments, circumstances warrant. Each rating given by an agency should be evaluated independently of the other agencies' ratings. The ratings should not be construed as an indication to buy, hold or sell any security.

	Moody's (A)	S&P (B)
PSEG		
Outlook	Stable	Stable
Senior Notes	Baa2	BBB
Commercial Paper	P2	A2
PSE&G		
Outlook	Stable	Stable
Mortgage Bonds	A1	A
Commercial Paper	P2	A2
PSEG Power		
Outlook	Stable	Stable
Issuer Rating	Baa2	BBB

(A)Moody's ratings range from Aaa (highest) to C (lowest) for long-term securities and P1 (highest) to NP (lowest) for short-term securities.

(B)S&P ratings range from AAA (highest) to D (lowest) for long-term securities and A1 (highest) to D (lowest) for short-term securities.

CAPITAL REQUIREMENTS

We expect that all of our capital requirements over the next three years will come from a combination of internally generated funds and external debt financing. There were no material changes to our projected capital expenditures as compared to amounts disclosed in our 2024 Form 10-K.

PSE&G

During the three months ended March 31, 2025, PSE&G made capital expenditures of \$605 million, primarily for T&D system reliability. In addition, PSE&G had cost of removal, net of salvage, of \$34 million associated with capital replacements, and expenditures for EE programs of \$165 million, which are included in operating cash flows.

PSEG Power & Other

During the three months ended March 31, 2025, PSEG Power & Other made capital expenditures of \$42 million, excluding \$12 million for nuclear fuel, primarily related to various nuclear projects at PSEG Power and various information technology projects at Services.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The risk inherent in our market-risk sensitive instruments and positions is the potential loss arising from adverse changes in commodity prices, equity security prices and interest rates as discussed in the Notes to Consolidated Financial Statements. It is our policy to use derivatives to manage risk consistent with business plans and prudent practices. We have a Risk Management Committee comprised of executive officers who utilize a risk oversight function to ensure compliance with our corporate policies and risk management practices.

Additionally, we are exposed to counterparty credit losses in the event of non-performance or non-payment. We have a credit management process, which is used to assess, monitor and mitigate counterparty exposure. In the event of non-performance or non-payment by a major counterparty, there may be a material adverse impact on our financial condition, results of operations or net cash flows.

Commodity Contracts

The availability and price of energy-related commodities are subject to fluctuations from factors such as weather, environmental policies, changes in supply and demand, state and federal regulatory policies, market rules and other events. To reduce price risk caused by market fluctuations, we enter into supply contracts and derivative contracts, including forwards, futures, swaps, and options with approved counterparties. These contracts, in conjunction with physical sales and other services, help reduce risk and optimize the value of owned electric generation capacity.

Value-at-Risk (VaR) Models

VaR represents the potential losses, under normal market conditions, for instruments or portfolios due to changes in market factors, for a specified time period and confidence level. We estimate VaR across our commodity businesses.

MTM VaR consists of MTM derivatives that are economic hedges. The calculation does not include market risks associated with activities that are subject to accrual accounting, primarily our generating facilities and some load-serving activities.

The VaR models used are variance/covariance models adjusted for the change of positions with 95% and 99.5% confidence levels and a one-day holding period for the MTM activities. The models assume no new positions throughout the holding periods; however, we actively manage our portfolio.

From January through March 2025, MTM VaR varied between a low of \$31 million and a high of \$55 million at the 95% confidence level. The range of VaR was narrower for the three months ended March 31, 2025 as compared with the year ended December 31, 2024.

	MTM VaR			
	Three Months Ended March 31, 2025		Year Ended December 31, 2024	
	Millions			
95% Confidence Level, Loss could exceed VaR one day in 20 days				
Period End	\$	46	\$	36
Average for the Period	\$	45	\$	44
High	\$	55	\$	152
Low	\$	31	\$	25
99.5% Confidence Level, Loss could exceed VaR one day in 200 days				
Period End	\$	73	\$	57
Average for the Period	\$	70	\$	69
High	\$	85	\$	238
Low	\$	49	\$	39

See Item 1. Note 10. Financial Risk Management Activities for a discussion of credit risk.

ITEM 4.CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

PSEG and PSE&G

We have established and maintain disclosure controls and procedures as defined under Rule 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) that are designed to provide reasonable assurance that information required to be disclosed in the reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported and is accumulated and communicated to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of each respective company, as appropriate, by others within the entities to allow timely decisions regarding required disclosure. We have established a disclosure committee which includes several key management employees and which reports directly to the CFO and CEO of each of PSEG and PSE&G. The committee monitors and evaluates the effectiveness of these disclosure controls and procedures. The CFO and CEO of each of PSEG and PSE&G have evaluated the effectiveness of the disclosure controls and procedures and, based on this evaluation, have concluded that disclosure controls and procedures at each respective company were effective at a reasonable assurance level as of the end of the period covered by the report.

Internal Controls

PSEG and PSE&G

There have been no changes in internal control over financial reporting that occurred during the first quarter of 2025 that have materially affected, or are reasonably likely to materially affect, each registrant’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are party to various lawsuits and environmental and regulatory matters, including in the ordinary course of business. For information regarding material legal proceedings, including updates to information reported in Item 3 of Part I of the Form 10-K, see Part I, Item 1. Note 8. Commitments and Contingent Liabilities in this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

The discussion of our business and operations in this Quarterly Report on Form 10-Q should be read together with the risk factors contained in Part I, Item 1A of our Form 10-K which describes various risks and uncertainties that could have a material adverse impact on our business, prospects, financial position, results of operations or cash flows and could cause results to differ materially from those expressed elsewhere in this report.

ITEM 5. OTHER INFORMATION

Certain information is provided below for new matters that have arisen subsequent to the filing of the Form 10-K.

Director and Officer Rule 10b5-1 and non-Rule 10b5-1 Trading Plans

During the three months ended March 31, 2025, none of our officers or directors adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

Federal Regulation

Transmission Regulation—Transmission Planning Proceedings

December 31, 2024 Form 10-K page 11. Following FERC's July 2023 issuance of a Final Rule requiring RTOs to implement rules to speed up the processing of interconnection queue requests, PJM submitted proposed revisions to the PJM Tariff to provide for a reliability based expansion of the interconnection queue window. FERC accepted this proposal in February 2025, which allows PJM to accelerate the interconnection of new, "shovel-ready" generation capacity resources. In March 2025, PSEG Nuclear submitted its application to PJM for its Salem upgrade project to be included in PJM's accelerated interconnection cycle. PJM will conduct a scoring process and is expected to select 50 projects.

Capacity Market Issues

December 31, 2024 Form 10-K page 12. There continues to be significant activities related to PJM's capacity market. PJM has delayed capacity auctions for the next three delivery years (2027/28, 2028/29 and 2029/30). Multiple complaints have been filed against PJM alleging that PJM's capacity market rules have resulted in unjust and unreasonable capacity prices, and seeking to produce short-term increases in supply in the market and a short-term decrease in clearing prices. In April 2025, FERC approved a settlement establishing a price cap of \$325/MW-day and a price floor of \$175/MW-day for the capacity market auctions for the 2026/27 and 2027/28 delivery years.

State Regulation

New Jersey Energy Master Plan (EMP) and Future of Gas Stakeholder Proceeding

December 31, 2024 Form 10-K page 14. In January 2020, the State of New Jersey released its EMP. The BPU commenced proceedings to update the State's EMP in 2024 that are continuing.

BGS Process

December 31, 2024 Form 10-K page 14. In June 2024, New Jersey's EDCs, including PSE&G, filed their annual joint proposal for the conduct of the February 2025 BGS auction covering energy years 2026 through 2028. The February 2025 BGS auction resulted in a significant cost increase for electricity supplied by PSE&G and all other New Jersey's electric distribution companies. The cost increases are in large part due to higher prices from the PJM capacity market. Price increases for electricity supply resulting from the 2025 BGS auction will be included in PSE&G customers' rates beginning June 1, 2025.

ITEM 6. EXHIBITS

A listing of exhibits being filed with this document is as follows:

a. PSEG:

Exhibit 31:	Certification by Ralph LaRossa Pursuant to Rules 13a-14 and 15d-14 of the 1934 Act
Exhibit 31.1:	Certification by Daniel J. Cregg Pursuant to Rules 13a-14 and 15d-14 of the 1934 Act
Exhibit 32:	Certification by Ralph LaRossa Pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code
Exhibit 32.1:	Certification by Daniel J. Cregg Pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code
Exhibit 101.INS:	Inline XBRL Instance Document - The Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
Exhibit 101.SCH:	Inline XBRL Taxonomy Extension Schema
Exhibit 104:	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

b. PSE&G:

Exhibit 31.2:	Certification by Ralph LaRossa Pursuant to Rules 13a-14 and 15d-14 of the 1934 Act
Exhibit 31.3:	Certification by Daniel J. Cregg Pursuant to Rules 13a-14 and 15d-14 of the 1934 Act
Exhibit 32.2:	Certification by Ralph LaRossa Pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code
Exhibit 32.3:	Certification by Daniel J. Cregg Pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code
Exhibit 101.INS:	Inline XBRL Instance Document - The Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
Exhibit 101.SCH:	Inline XBRL Taxonomy Extension Schema
Exhibit 104:	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
(Registrant)

By: /S/ ROSE M. CHERNICK
Rose M. Chernick
Vice President and Controller
(Principal Accounting Officer)

Date: April 30, 2025

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
(Registrant)

By: /S/ ROSE M. CHERNICK
Rose M. Chernick
Vice President and Controller
(Principal Accounting Officer)

Date: April 30, 2025

