



22 February 2011

M. Courtney McCormick
Corporate Secretary and Associate
General Corporate Counsel
Public Service Enterprise Group, Inc.
80 Park Plaza, T-4B
Newark, NJ 07102-4194

Dear Ms. McCormick:

In consideration of the agreement of the Public Service Enterprise Group, Incorporated (PSEG), set forth in your letter to Leslie Lowe of February 18, 2011, (copy attached) that commits PSEG to:

- 1) Publish a report to shareholders that specifically addresses the questions submitted by As You Sow to PSEG regarding the Financial Risks of Reliance on Coal, unless disclosure of the relevant information would reveal information that is proprietary or that would place our company at a competitive disadvantage.
- 2) Include in the proxy for PSEG's 2011 annual meeting a statement that a resolution was filed by As You Sow requesting a report on the "Financial Risks of Continued Reliance on Coal" and that the resolution was withdrawn because our company has agreed to publish the requested report. And,
- 3) Provide a draft of the above report to As You Sow for review no later than September 1, 2011.

As You Sow, as the authorized agent of Ms. Norine Ader, does hereby withdraw the shareholder proposal entitled "Financial Risks of Reliance on Coal" that was filed on behalf of Ms. Adler.

Sincerely,

Andrew Behar,
Chief Executive Officer
As You Sow

c: Norine Ader
Leslie Lowe



February 18, 2011

Leslie Lowe
UCI Environmental Accountability
475 Riverside Drive, Suite 900
New York, NY 10115

Dear Leslie:

Thank you for your email of February 10, 2011 on behalf of As You Sow. We appreciate the willingness of As You Sow to withdraw the shareholder proposal entitled "Financial Risks of Continued Reliance on Coal", submitted to us by letter dated November 2, 2010, based upon the following terms, to which Public Service Enterprise Group Incorporated (PSEG) is agreeable:

1. PSEG will prepare a report addressing the financial risks of continued reliance on coal in contrast to increased investment in efficiency and cleaner energy. The report will address specifically the questions that as of now have been submitted to PSEG by As You Sow, unless disclosure of the relevant information would reveal information that is proprietary or that would place PSEG at a competitive disadvantage. The report will be completed by November 2011 and made publicly available by PSEG through our website.
2. We will include in our Proxy Statement for the 2011 Annual Meeting a statement that a resolution was filed by As You Sow requesting a report on the financial risk of continued reliance on coal and that the resolution was withdrawn because PSEG has agreed to publish the requested report.
3. A draft of the report will be made available to As You Sow for review no later than September 1, 2011.

Please indicate your agreement to these terms by signing a copy of this letter and returning it me. Please do so by Thursday, February 24, 2011, in order for us to maintain our schedule for printing and mailing of our Proxy Statement.

Very truly yours,

A handwritten signature in black ink, appearing to read "M. Courtney McCormick", with a stylized flourish at the end.

M. Courtney McCormick
Corporate Secretary