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PSE&G submits Highlands mitigation plan to support Susquehanna-Roseland project

(Newark, NJ - May 19, 2009) Public Service Electric and Gas Company (PSE&G) today proposed a number of significant environmental mitigation measures as part of its current application before the Highlands Council for the Susquehanna-Roseland transmission line.

PSE&G amended its Highlands Applicability Determination (HAD) filing by submitting a Comprehensive Mitigation Plan. The plan is designed to avoid, minimize and mitigate impacts of the proposed project providing further assurance that activities are consistent with the goals and purposes of the Highlands Act.

The mitigation plan addresses concerns raised by the Highlands Council, the New Jersey Department of Environmental Protection, environmental organizations and the public since the company filed its HAD application in September 2008, seeking an exemption permitted under the terms of the Highlands Act.

“This comprehensive plan will minimize the impacts of our project on the environment while enabling us to ensure safe, reliable electric service for years to come,” said Don McCloskey, director-environmental strategy and policy. “We listened carefully to the public, the NJ DEP and the Highlands staff and developed a plan that addresses specific issues. We welcome additional public comment and look forward to a vote on our revised application by the Highlands Council.”

The transmission line is needed to maintain the reliability of the regional electricity grid and prevent brownouts and blackouts, which could occur as early as 2012 if an existing line is not upgraded. The New Jersey portion of the line will be placed primarily in an existing power line right of way for its entire 45-mile length. About 26 miles go through the Highlands region.

The mitigation plan consists of three key elements:

- Revisions to the original project design that provide additional measures to avoid or minimize impacts. Changes include relocating a new switching station from Jefferson Township in Morris County to Hopatcong Township in Sussex County. The revision will reduce the amount of trees that will need to be cleared, as well as eliminate the need for 13 new towers. By using new technology, the company also will reduce the amount of land needed for the switching station.
- Restoration and maintenance plans for natural resources disturbed during construction of the line. These plans will detail how the company will minimize impacts on critical habitats, wetlands, soil erosion and historic and archaeological resources, among others.
- An \$18.6 million contribution to a Highlands Preservation Fund to address impacts to the area from the project that cannot be avoided or minimized. As part of the authorization of the project, the funds could be used to acquire critical land, and support preservation and conservation activities in the area of the project.

The Highlands exemption is one of several federal and state approvals the company has applied for as part of the project. An application to authorize the line is before the New Jersey Board of Public Utilities, which is expected to render a decision by December.

More information about the Susquehanna-Roseland project can be found at reliabilityproject.pseg.com.

Public Service Electric and Gas Company (PSE&G) is New Jersey's oldest and largest regulated gas and electric delivery utility, serving nearly three-quarters of the state's population. PSE&G is the winner of the ReliabilityOne Award for superior electric system reliability. PSE&G is a subsidiary of Public Service Enterprise Group Incorporated (PSEG) (NYSE:PEG), a diversified energy company (www.pseg.com).