

ORGANIZATION AND COMPENSATION COMMITTEE CHARTER AMENDED AND RESTATED DECEMBER 16, 2003

Committee Role and Organization

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

The Committee shall consist of independent directors, who shall be appointed and may be removed from time-to-time by the Board. The Board will determine the Committee Chair and members upon the recommendation of the Corporate Governance Committee.

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

Duties and Responsibilities

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

- Review, approve and modify, as necessary, the Corporation’s executive compensation policy.
- Review, approve and modify, as necessary, the executive compensation programs, plans and awards.
- Make recommendations to the Board with respect to corporate organization in general, and executive compensation, including incentive compensation plans and equity-based plans.
- Administer or provide for the administration of the Corporation’s short and long-term incentive plans and other stock or stock-based incentive plans, including those intended to qualify under Section 162(m) of the Internal Revenue Code, so as to:
 - determine performance measures and goals
 - set thresholds, targets and maximum awards
 - review performance compared to goals
 - approve incentive payments
- Review and approve corporate goals and objectives relevant to CEO compensation (Five Year Business Plan), evaluate the CEO’s performance on an annual basis in light of the individual and corporate goals and objectives, and determine and approve the CEO’s compensation level based on this evaluation in conjunction with the independent directors of this Corporation.
- Produce an annual report on executive compensation for inclusion in the Corporation’s proxy statement, to comply with applicable rules and regulations, and to articulate the Corporation’s executive compensation policy.

- Retain such consulting firms as the Committee deems appropriate to assist in the evaluation of compensation for directors, the CEO, executive officers and key employees, with sole authority to retain and terminate such consulting firms, including sole authority to approve the firms' fees and other retention terms.
- Review at least annually, a management succession plan for the CEO and other key officers, including long and short-term scenarios, and the selection and development of qualified individuals.
- Periodically review and assess the adequacy of this Charter and recommend proposed changes to the Board.
- Conduct an annual performance evaluation of the Committee.
- Perform such other duties as are assigned by the Board.
- Report its activities to the Board.