



Filed by Exelon Corporation  
(Commission File No. 1-16169)

Pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12 of the Securities Exchange Act of 1934

Subject Company: Public Service Enterprise Group Incorporated  
(Commission File No. 1-09120)

On February 17, 2005, members of management of Exelon Corporation (Exelon) will make a presentation at the UBS Natural Gas & Electric Utilities Conference in New York, NY. Following are the slides to be used in the presentation.

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#### Safe Harbor Statement

Except for the historical information contained herein, certain of the matters discussed in this Filing constitute “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding benefits of the proposed merger, integration plans, and expected synergies, anticipated future financial and operating performance and results, including estimates for growth. These statements are based on the current expectations of management of Exelon, Commonwealth Edison Company (“ComEd”), PECO Energy Company (“PECO”), and Exelon Generation Company, LLC (“Exelon Generation” and together with Exelon, ComEd and PECO, the “Exelon Registrants”), and the current expectations of management of Public Service Enterprise Group Incorporated (“PSEG”), Public Service Electric and Gas Company (“PSE&G”), PSEG Power LLC (“PSEG Power”), and PSEG Energy Holdings LLC (“PSEG Holdings” and together with PSEG, PSE&G and PSEG Power, the “PSEG Registrants”). There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this filing. For example, (1) the companies may be unable to obtain shareholder approvals required for the merger; (2) the companies may be unable to obtain regulatory approvals required for the merger, or required regulatory approvals may delay the merger or result in the imposition of conditions that could have a material adverse effect on the combined company or cause the companies to abandon the merger; (3) conditions to the closing of the merger may not be satisfied; (4) an unsolicited offer of another company to acquire assets or capital stock of Exelon or PSEG could interfere with the merger; (5) problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected; (6) the combined company may be unable to achieve cost-cutting synergies or it may take longer than expected to achieve those synergies; (7) the merger may involve unexpected costs or unexpected liabilities, or the effects of purchase accounting may be different from the companies’ expectations; (8) the credit ratings of the combined company or its subsidiaries may be different from what the companies expect; (9) the businesses of the companies may suffer as a result of uncertainty surrounding the merger; (10) the companies may experience more difficulties than expected in achieving operating improvements at jointly owned nuclear generating facilities; (11) the companies may not realize the values expected to be obtained for properties expected or required to be divested; (12) the industry may be subject to future regulatory or legislative actions that could adversely affect the companies; and (13) the companies may be adversely affected by other economic, business, and/or competitive factors.

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Other unknown or unpredictable factors could also have material adverse effects on future results, performance or achievements of the combined company. A discussion of some of these other important factors and assumptions is contained in the Exelon Registrants' and PSEG Registrants' respective filings with the SEC, including: (1) the Exelon Registrants' 2003 Annual Report on Form 10-K – Item 7. Management's Discussion and Analysis of Financial condition and Results of Operations – Business Outlook and the Challenges in Managing Our Business for Each of Exelon, ComEd, PECO, and Exelon Generation; (2) the Exelon Registrants' 2003 Annual Report on Form 10-K – Item 8. Financial Statements and Supplementary Data: Exelon – Note 19, ComEd – Note 15, PECO – Note 14, and Exelon Generation – Note 13; and (3) the PSEG Registrants' Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 – Forward Looking Statements. These risks, as well as other risks associated with the merger, will be more fully discussed in the joint proxy statement/prospectus that will be included in the Registration Statement on Form S-4 that Exelon will file with the SEC in connection with the proposed merger. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this Filing may not occur. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Filing. None of the Exelon Registrants or PSEG Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Filing.

#### Additional Information

This communication is not a solicitation of a proxy from any security holder of Exelon Corporation (Exelon) or Public Service Enterprise Group Incorporated (PSEG). Exelon intends to file with the Securities and Exchange Commission a registration statement that will include a joint proxy statement/prospectus and other relevant documents to be mailed by Exelon and PSEG to their respective security holders in connection with the proposed merger of Exelon and PSEG. WE URGE INVESTORS AND SECURITY HOLDERS TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION about Exelon, PSEG and the proposed merger. Investors and security holders will be able to obtain these materials (when they are available) and other documents filed with the SEC free of charge at the SEC's website, [www.sec.gov](http://www.sec.gov). In addition, a copy of the joint proxy statement/prospectus (when it becomes available) may be obtained free of charge from Exelon Corporation, Investor Relations, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398, or from Public Service Enterprise Group Incorporated, Investor Relations, 80 Park Plaza, P.O. Box 1171, Newark, New Jersey 07101-1171.

The respective directors and executive officers of Exelon and PSEG and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Exelon's directors and executive officers is available in its proxy statement filed with the SEC by Exelon on March 12, 2004, and information regarding PSEG's directors and executive officers is available in its proxy statement filed with the SEC by PSEG on March 10, 2004. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

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## **Merger Plus...**

**Robert S. Shapard**

**Executive Vice President & CFO**

**UBS Natural Gas & Electric Utilities Conference**

**New York City**

**February 17, 2005**

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## Safe Harbor Language

This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, for example, statements regarding benefits of the proposed merger, integration plans, and expected synergies, anticipated future financial and operating performance and results, including estimates for growth. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. A discussion of some of these risks and uncertainties is contained or referred to in the Current Reports on Form 8-K filed with the SEC by Exelon on December 20, 2004 and by PSEG, on December 21, 2004. Additional factors that could cause Exelon’s and PSEG’s results to differ materially from those described in the forward-looking statements can be found in the 2003 Annual Reports on Form 10-K, and Quarterly Reports on Form 10-Q for the quarterly period ended September 30, 2004 of Exelon and PSEG, as such reports reports may have been amended, each filed with the SEC and available on the SEC’s website, [www.sec.gov](http://www.sec.gov). These risks, as well as other risks associated with the merger, will be more fully discussed in the joint proxy statement/prospectus that will be included in the Registration Statement on Form S-4 that Exelon will file with the SEC in connection with the proposed merger. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Neither Exelon nor PSEG undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.



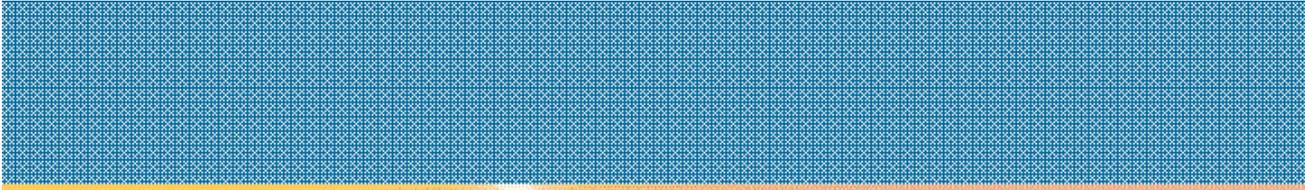
## Additional Information

This communication is not a solicitation of a proxy from any security holder of Exelon Corporation or Public Service Enterprise Group Incorporated. Exelon has filed a Registration Statement on Form S-4 with the SEC (Registration No. 333-122704) containing a preliminary joint proxy statement/prospectus regarding the proposed transaction involving Exelon Corporation and Public Service Enterprise Group Incorporated. We urge investors and security holders to read the definitive joint proxy statement/prospectus regarding the proposed transaction and any other relevant documents when they become available, because they will contain important information about Exelon, PSEG and the proposed merger. Investors and security holders will be able to obtain these materials (when they are available) and other documents filed with the SEC free of charge at the SEC's website (<http://www.sec.gov>). In addition, a copy of the definitive joint proxy statement/prospectus (when it becomes available) may be obtained free of charge from Exelon, Shareholder Services, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398, or from PSEG, Investor Relations, 80 Park Plaza, P.O. Box 1171, Newark, New Jersey 07101-1171.

Information regarding Exelon's and PSEG's directors and executive officers and other participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is available in the preliminary joint proxy statement/prospectus contained in the above-referenced Registration Statement on Form S-4.

# Agenda

- **2004 Performance and 2005 Outlook**
- **Merger with PSEG**
  - Overview
  - Power Generation Platform
  - Synergies and Financial Impact
- **Illinois Post-2006 Update**
- **Growth Drivers**



# 2004 Performance and 2005 Outlook

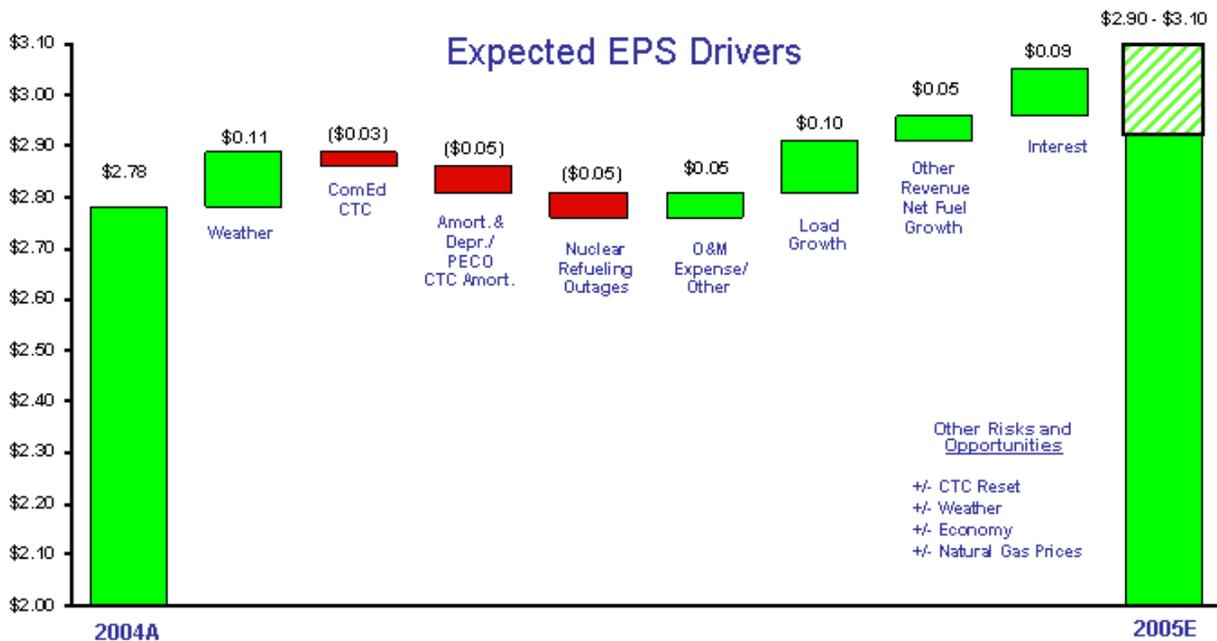
## 2004 Financial Summary

- **\$2.78 Operating Earnings (+6.5% over 2003)**
  - Core growth in retail volumes
  - Higher generation margins
  - Acquisition of the second half of AmerGen
  - Exelon Way cost savings
  - Reduced losses at Enterprises
  - Lower interest expense
- **Dividend increases totaling 60% in 2004 (current annual rate \$1.60/share)**
- **Free cash flow of \$1.4 billion**

Note: See presentation appendix for GAAP EPS and cash flow reconciliation

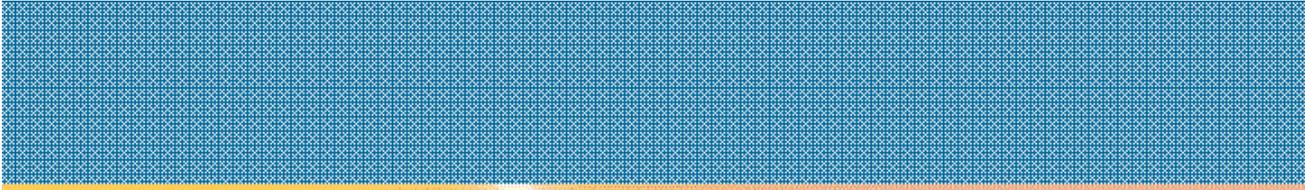


# 2005 Adjusted (non-GAAP) Operating EPS Guidance: \$2.90 - \$3.10



Note: See presentation appendix for GAAP EPS reconciliation



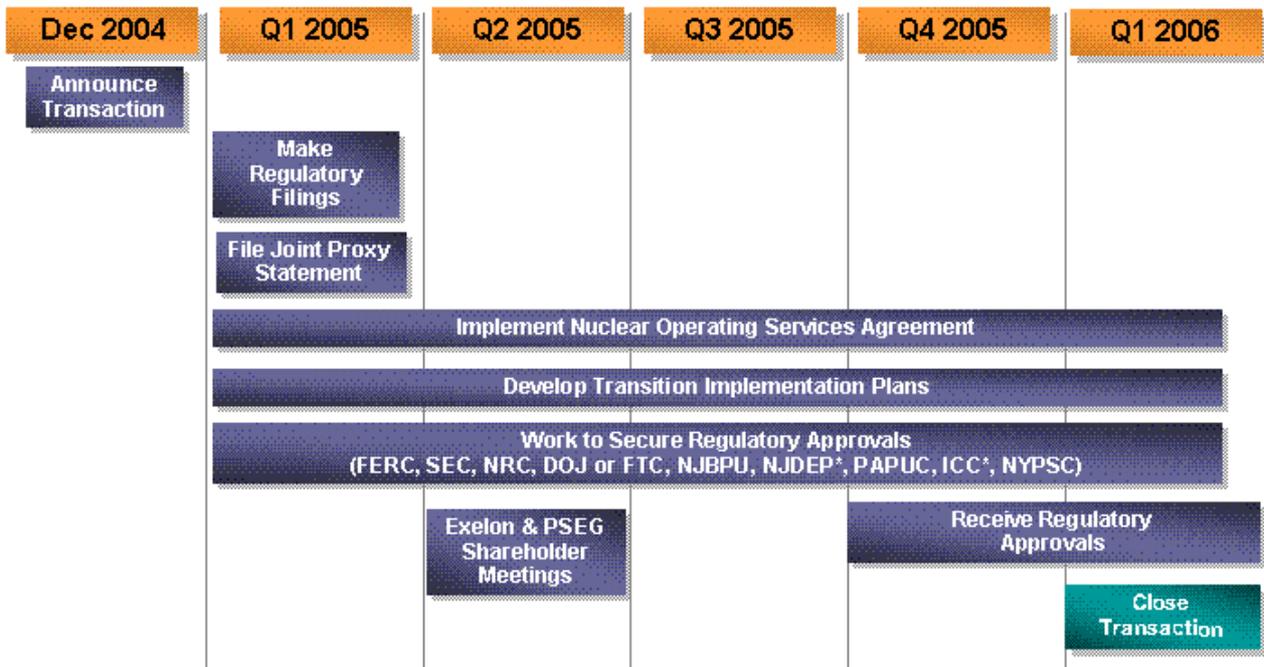


# Merger with PSEG

## A Compelling Combination

- **Large, balanced energy portfolio across PJM**
- **Enhanced service to the largest customer base in the industry**
- **Improved nuclear performance**
- **Common business and regulatory framework**
- **Strengthened financial performance driven by significant synergies and enhanced base and scope**

# Closing Achievable in 12-15 months



\* Notice filings only

# The Nation's Premier Utility Company

	<b>Exelon</b>	<b>PSEG</b>	<b>Combined</b>	
	<u>2003A</u>	<u>2003A</u>	<u>2003</u>	<u>Rank</u>
<b>Elec. Customers</b>	5,100,000	2,000,000	7,100,000	1
<b>Gas Customers</b>	460,000	1,600,000	2,060,000	7
<b>U.S. Generation Assets (MW)<sup>(1)</sup></b>	34,467	17,117	51,584	1
<b>Nuclear Generation(MW)</b>	16,943	3,510	20,453	1
<b><u>\$'s in Billions</u></b>				
<b>Total Assets</b>	\$41.9	\$28.1	\$70.0	1
<b>Market Cap (12/15/04)</b>	\$28.7	\$10.6	\$39.3	1
<b>Total Revenues</b>	\$15.8	\$11.1	\$26.9	1
<b>Net Income<sup>(2)</sup></b>	\$1.7	\$0.9	\$2.6	1

(1) Projected 2004 year-end. Generation numbers include long-term contracts.

(2) Income from Continuing Operations



# A “Win-Win” Combination

## Combined Company

- Enhanced earnings
- Regulatory and market diversity
- Increased operating flexibility
- Strong, stable cash flow with commitment to solid investment grade ratings
- Experienced management team

## PSEG Brings

- Excellence in transmission and distribution operations
- Expertise in BGS auction development and participation
- Strong gas LDC experience

## Exelon Brings

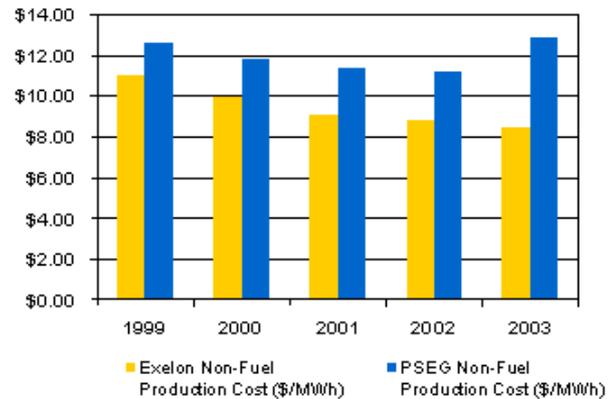
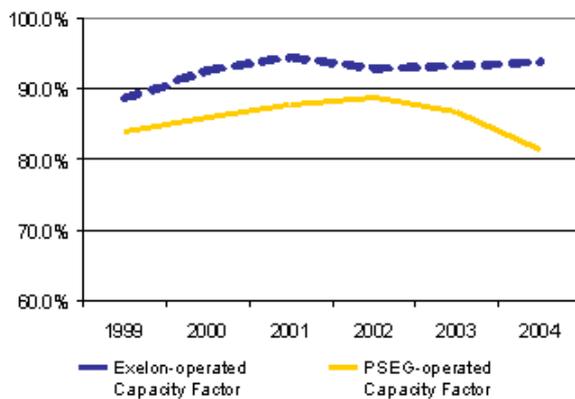
- Premier nuclear operation expertise
- Broad platform for earnings and cash flow growth
- Large merger integration success

## Strong Generation Platform

- **Premier nuclear operator, based on consistent top quartile performance**
- **Balanced and diverse generation portfolio**
- **Reliable and commercially responsive fossil operations**
- **Experienced leader in wholesale power marketing and risk management**

*Complementary Generation Portfolio Positions New Company for Success*

# Opportunity for Improved Nuclear Performance



- **Exelon has proven track record of improving and sustaining safety, operating and cost performance**
- **Significant opportunity to improve PSEG fleet performance under Nuclear Operating Services Contract, started January 2005**
- **Every 1% increase in capacity factor for PSEG's nuclear fleet generates pre-tax income of about \$12 million**



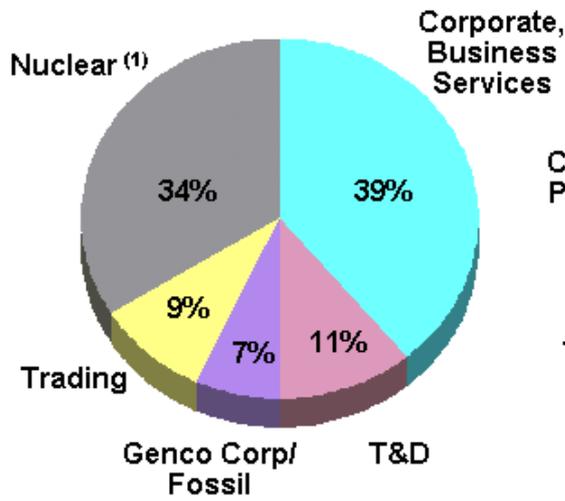
# Market Power Mitigation Proposal

**2/4/05 FERC Filing proposed the following:**

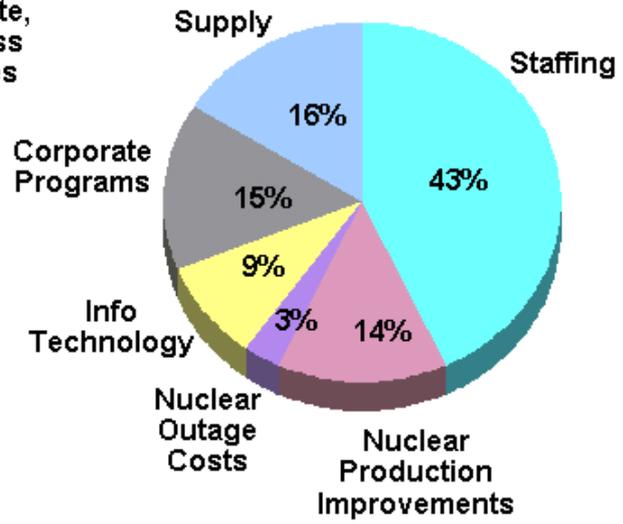
- **Outright divestiture:**
  - 1,900 MWs of mid-merit capacity
    - At least 550 MWs of coal-fired capacity
  - 1,000 MWs of peaking capacity
  - All in PJM East
  
- **“Virtual” divestiture:**
  - 2,600 MWs of baseload nuclear capacity (2,400 MWs in PJM East)
  - Transfers control of output through annual auctions or long-term contracts (sales or swaps)

# \$500 Million of Synergies in Year 2

### By Business



### By Category



(1) Includes cost and production improvement



## Growing Dividend <sup>(1)</sup>

<b>PSEG current dividend</b>	<b>\$2.20</b>
<b>PSEG expected 2005 increase</b>	<b><u>.04</u></b>
<b>PSEG pro forma</b>	<b>\$2.24</b>

<b>Exelon dividend required to keep PSEG shareholders whole <sup>(2)</sup></b>	<b>\$1.83</b>
<b>Current Exelon dividend</b>	<b><u>\$1.60</u></b>

**Expected Exelon increase**                      **\$0.23 or 14%**

(1) Dividends are payable at the discretion of the board of directors  
(2) Given 1.225 exchange ratio



# Solid Balance Sheet

Exelon and PSEG believe they will retain solid investment-grade ratings on a combined basis

<b>Pro Forma Key Ratios <sup>(1)</sup></b>	<b>Year 1</b>	<b>Year 2</b>
Funds from Operations / Average Total Debt	28%	31%
Funds from Operations Interest Coverage	5.8x	6.2x
EBITDA Interest Coverage	7.0x	7.1x
Debt / Capital	41%	41%

(1) Ratios exclude securitized debt and PSEG Energy Holdings



## Strong Cash Flow

(\$ in Billions)	EXC 2007	PEG 2007	Merger Adj 2007	EEG 2007
Estimated Net Income <sup>(1)</sup>	2.2	1.0	0.3 <sup>(2)</sup>	3.5
Depreciation & Amortization	1.9	1.0	-	2.9
CapEx	(2.0)	(0.9)	(0.1) <sup>(3)</sup>	(3.0)
Dividends	(1.2)	(0.6)	-	(1.8)
<b>Cash Before Debt Maturities</b>	<b>0.9</b>	<b>0.5</b>	<b>0.2</b>	<b>1.6</b>
Securitized Debt Retired	(0.6)	(0.2)	-	(0.8)
<b>Available Cash</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.8</b>

Note: Illustrative only; not intended to provide guidance

(1) Estimated net income using Thomson First Call consensus EPS estimates/growth times projected shares

(2) \$500m synergies reduced for taxes and assumed regulatory sharing

(3) Merger costs to achieve capital investment



## Capital Structure Optimization

- **Share repurchases set the bar for use of estimated \$800 million available cash (post merger)**
- **Potential for further optimization beyond available cash flow**

## Significant Financial Outcome

- **\$8-9 billion present value of synergies <sup>(1)</sup>**
- **PSEG valuation discount mitigates merger premium**
- **14% higher dividend for Exelon shareholders, PSEG shareholders kept whole <sup>(2)</sup>**
- **11-13% accretion in 2006/2007 for PSEG**
- **3-4% accretion in 2006/2007 for Exelon**
- **Strong balance sheet**
- **Lower risk profile**
- **Positioned for growth**

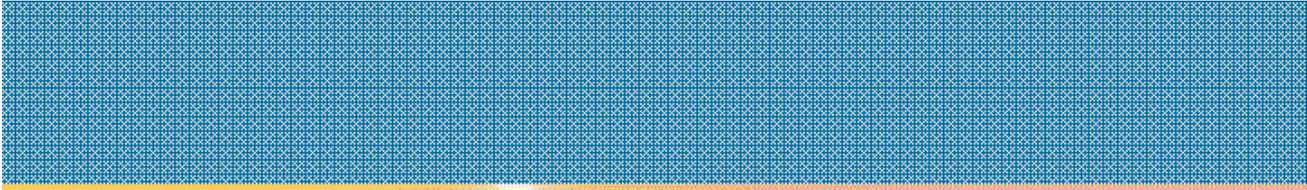
(1) NPV of after-tax synergies assuming reasonable sharing

(2) Dividends are payable at the discretion of the board of directors



## A Compelling New Company

- **Combination of two strong industry leaders**
- **Increased scale and scope**
- **Complementary operations/business models**
- **Low-cost supply portfolio**
- **Disciplined financial policy**
- **Highly experienced management team**



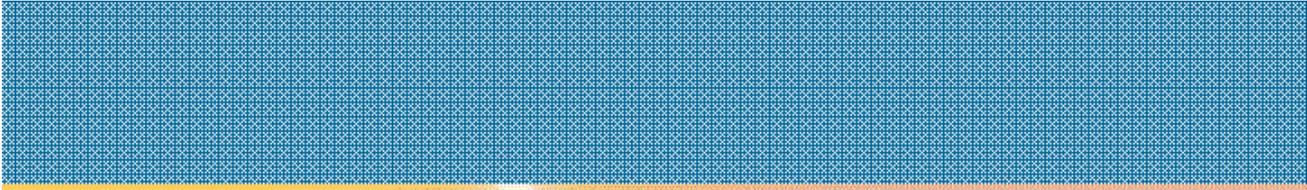
# Illinois Post-2006 Update

## Illinois Post-2006 Update

- **12/3/04 ICC staff report to General Assembly endorsed an auction process similar to New Jersey's (best fit with consensus of Procurement Working Group)**
- **ComEd will make filings at the ICC this month proposing an auction process and corresponding tariffs to flow supply costs through to customers**
  - Details of the filing and case schedule have been previewed with all stakeholders including ICC staff
  - Proceeding will likely run through January 2006
- **Bi-partisan House Committee formed to oversee Post-2006 process (Chairman: George Scully)**
  - Will hear testimony from a broad range of stakeholders before determining GA's level of involvement and direction to the ICC
- **A separate filing for delivery rates and new rate design will be made in the 2<sup>nd</sup> or 3<sup>rd</sup> quarter of 2005**

## Competition Benefiting IL Customers

- Since the onset of customer choice in 1997, more than 70% of ComEd's biggest customers have chosen alternatives to bundled rates, some saving up to 15%
- Residential customers saved 20% with a rate reduction, and even more considering a 10-year rate freeze when the CPI increased 20% (current rates lowest since early 1990's)
- Since 1998, outage frequency is down 44%, duration is down 53%
- Nuclear capacity factors have increased from 49% to 93%
- 9,000 megawatts of new competitive power supply brought on-line (and not in rate base)



# Growth Drivers

# Growth Drivers

## Industry Trends

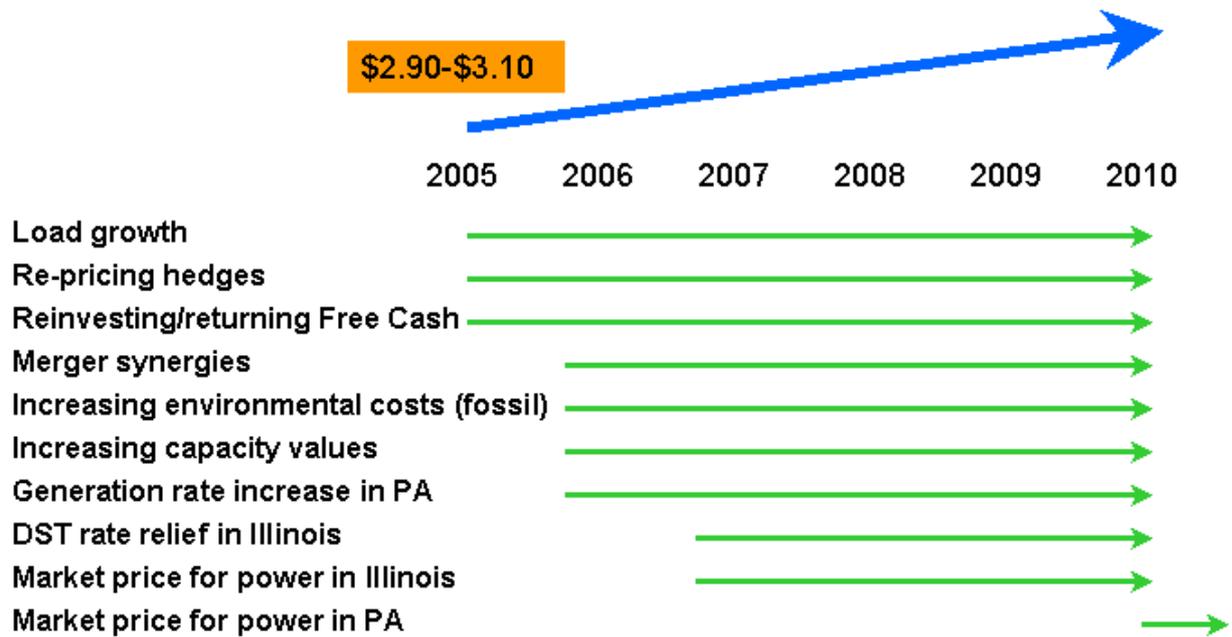
- Improving power market fundamentals
- Persistently high energy prices
- Growing environmental costs

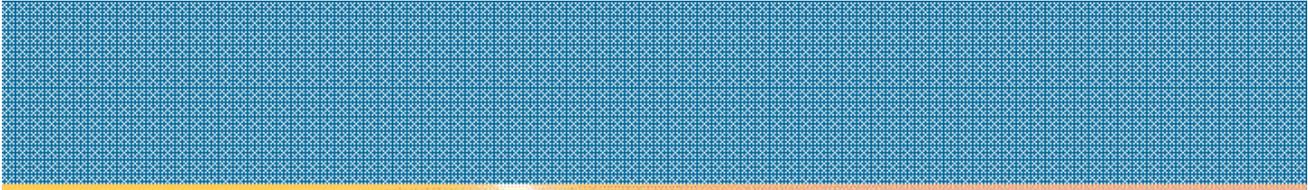
## Exelon's Platform

- Large, low cost, low emissions generation fleet
- Large retail base
- Low metropolitan residential rates
- Successful cost reduction program
- Strong balance sheet



# Well Positioned for Continued Earnings Growth





# APPENDIX



# GAAP EPS Reconciliation

<b>2003 GAAP Reported EPS</b>	<b>\$1.38</b>
Boston Generating impairment	0.87
Charges associated with investment in Sithe Energies, Inc.	0.27
Severance	0.24
Cumulative effect of adopting SFAS No. 143	(0.17)
Property tax accrual reductions	(0.07)
Enterprises' Services goodwill impairment	0.03
Enterprises' impairments due to anticipated sale	0.03
March 3 ComEd Settlement Agreement	0.03
<b>2003 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.61</b>
<b>2004 GAAP Reported EPS</b>	<b>\$2.78</b>
Charges associated with debt repurchases	0.12
Investments in synthetic fuel-producing facilities	(0.10)
Severance	0.07
Cumulative effect of adopting FIN No. 46-R	(0.05)
Settlement associated with the storage of spent nuclear fuel	(0.04)
Boston Generating 2004 impact	(0.03)
Charges associated with investment in Sithe Energies, Inc.	0.02
Costs related to proposed merger with PSEG	0.01
<b>2004 Adjusted (non-GAAP) Operating EPS</b>	<b>\$2.78</b>

# Full Year 2004 Cash Reconciliation

## Total Increase in Cash and Cash Equivalents to Free Cash Flow Reconciliation (\$ in millions)

GAAP Increase in Cash and Cash Equivalents	\$	35
Adjustments for Goal:		
Discretionary Debt Activity:		
- Change in Short-Term Debt		(164)
- Net Long-Term Debt Retirements <sup>(1)</sup>		1,424
- Other Financing Activities		(34)
Cash from Long-Term Incentive Plan <sup>(2)</sup>		(158)
Other Discretionary Adjustments <sup>(3)</sup>		283
Total Adjustments		<u>1,351</u>
Free Cash Flow	<u>\$</u>	<u>1,386</u>

(1) Includes net long-term debt issuances and payment on the acquisition note to Sithe Energies, Inc. and excludes ComEd Transitional Funding Trust and PECO Energy Transition Trust Retirements.

(2) Net of treasury shares purchased.

(3) Includes the incremental increase in dividend payments over 2003, exclusion of Sithe cash, severance payments, call premiums associated with the redemption of debt as a result of the accelerated liability management plan, and the tax effect of discretionary items.

## 2005 Earnings Guidance

Exelon's adjusted (non-GAAP) operating earnings for 2005 are expected to be in the range of \$2.90 to \$3.10 per share. Exelon's outlook for adjusted (non-GAAP) operating earnings excludes income resulting from investments in synthetic fuel-producing facilities, the financial impact of the company's investment in Sithe and merger-related costs. Giving consideration to these factors, Exelon estimates 2005 GAAP earnings will fall in the range of \$2.95 to \$3.15 per share. This estimate does not include any impact of future changes to GAAP.

## Cash Flow Definitions

We define free cash flow as:

- Cash from operations (which includes pension contributions and the benefit of synthetic fuel investments), less
- Cash used in investing activities, less
  - Transition debt maturities
  - Common stock dividend payments at 2003 rates
  - Other routine activities (e.g., severance payments, tax effect of discretionary items, etc.)

We define available cash flow as:

- Cash from operations less capital expenditures, less common stock dividend payments, less securitized debt retired