

Michael S. Paszynsky, CPP, CFE
Vice President
Business Assurance & Resilience

80 Park Plaza, Room: L1-A, Newark, New Jersey 07102-4194



October 7, 2011

Office of the Attorney General
33 Capitol Street
Concord, NH 03301

**RE: Legal Notice of Information Security Breach
Pursuant to N.H. Rev. Stat. Ann. § 359-C:20**

To Whom It May Concern:

In accordance with the above-referenced provision of New Hampshire law, I write to inform you of an information security incident affecting 3 New Hampshire residents.

On September 25, 2011, a laptop computer and other items were stolen from the home of a PSEG employee. During the course of the company's investigation, it was discovered that the stolen computer potentially could have contained personal information of PSEG employees, including their names and Social Security numbers.

PSEG takes its obligation to protect personal information very seriously. The employee whose computer was stolen immediately alerted law enforcement, as did PSEG's Business Assurance and Resilience unit. Upon learning of the incident, PSEG promptly began investigating it. Although the investigation into the incident is ongoing, at this time we have no reason to believe the data contained on the laptop was the target of the theft. Nevertheless, PSEG has issued notice to affected employees and has offered them assistance, including arranging for free credit monitoring and providing tips on how to protect themselves from identity theft.

PSEG provided written notice to affected New Hampshire residents on or about October 10, 2011 as required by N.H. Rev. Stat. Ann. § 359-C:20. The notice includes (1) a description of the incident and the type of personal information at issue; (2) a toll-free phone number to call for further information and assistance; (3) information on how the individual may enroll in free credit monitoring arranged by PSEG; (4) information about how to place a fraud alert on a credit report; and (5) advice that directs the individual to remain vigilant by reviewing account statements and monitoring free credit reports. Enclosed is a copy of the notification letter mailed to affected New Hampshire residents.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael S. Paszynsky", written in a cursive style.



PSEG

We make things work for you.

Business Center

Employee Services

80 Park Plaza, T-23, Newark, NJ 07102-4194

October 10, 2011



Sample A. Sample
123 Anystreet
Anytown, US 12345-6789



Important Security and Protection Notification.
Please read this entire letter.

Dear Sample A. Sample,

We are writing to advise you of an incident that potentially involves your personal information. On September 25, 2011, a PSEG laptop computer and some personal property were stolen from a PSEG employee while outside of the office. The employee promptly reported the incident to the police and appropriate PSEG personnel. Following an investigation, PSEG determined that the laptop potentially could have contained personal information of other PSEG employees, including names and Social Security numbers. Importantly, the laptop was password protected, and there is no reason to believe that the personal information that may have been contained on the laptop was the target of the theft.

We truly regret that this incident occurred. The security and privacy of our employees' personal information is extremely important, and we take the protection of this information very seriously.

As a precautionary measure, the Company has made arrangements through Experian, a global leader in consumer and business credit reporting, to offer you 12 months of credit monitoring and identity theft insurance.* The Company will pay the cost of the monitoring and identity theft insurance. There will be no cost to you. A description of the service, called ProtectMyID, and how you may sign up for the service is provided below and in the enclosed information sheet.

To activate your complimentary one year membership in ProtectMyID from Experian, visit the website listed below and enter your individual activation code. You will also be requested to enter your Social Security number and other personal information.

ProtectMyID Web Site: <http://www.protectmyid.com/enroll>

Your Activation Code:

You Must Enroll By: January 31, 2012

If you prefer, you can enroll over the phone by speaking with Experian customer care representatives toll-free at (877) 441-6943.

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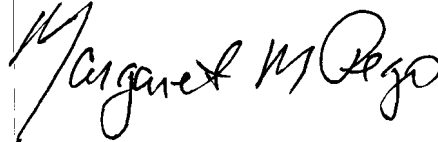


As soon as you enroll in your complimentary ProtectMyID membership, Experian will begin to monitor your credit reports on a daily basis and notify you of significant changes. This tool can help you identify potentially fraudulent use of your information, and provide you with immediate assistance from a dedicated team of fraud resolution representatives should you need help.

We appreciate your understanding as we work through this matter. We will provide any additional information should it become available. In the meantime, we strongly encourage you to be vigilant in monitoring your financial statements for evidence of any potential fraud or misuse of your information, and to follow the instructions on the attached information sheet if you suspect such fraud or misuse.

If you have any questions, please contact the PSEG Business Center at (800) 571-0400. Active PSEG employees can also view information about data security on a newly launched intranet site, available at the Employee Data Incident button on InfoCentral or www.informationcentral.pseg.com/corporate/security/data.jsp.

Sincerely,

A handwritten signature in black ink that reads "Margaret M. Pego". The signature is written in a cursive style with a large initial "M".

Margaret M. Pego
Senior Vice President of Human Resources
and Chief Human Resources Officer

*** Identity Theft Insurance is underwritten by insurance company subsidiaries or affiliates of Chartis, Inc. The description herein is a summary intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.**

INFORMATION SHEET

Complimentary 12-month ProtectMyID membership includes:

- A free copy of your Experian credit report
- Daily monitoring and timely alerts of any key changes to your credit reports--so you know when there is activity that you should be aware of, such as new inquiries, newly opened accounts, delinquencies, public records or address changes
- Daily scanning of the Internet for your Social Security, credit card, and debit card information to better protect you from potential fraud
- Monitoring of your address changes to minimize the threat of mail fraud
- Assistance with cancellation of your credit and debit cards
- Toll-free access to a dedicated team of fraud resolution representatives who will help you investigate any incidents involving your credit; contact credit grantors to dispute charges, close accounts if necessary, and compile documents; and contact all relevant government agencies
- \$1 Million Identity Theft Insurance - if you become a victim of identity theft while a member, you may be reimbursed up to \$1 million for costs such as lost wages, private investigator fees, and unauthorized electronic fund transfers.*

*** Identity Theft Insurance is underwritten by insurance company subsidiaries or affiliates of Chartis, Inc. The description herein is a summary intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.**

Activate your membership today for immediate protection at <http://www.protectmyid.com/enroll> or call (877) 441-6943 to register with the activation code provided.

Once your enrollment in ProtectMyID is complete, you should carefully review your credit report for inaccurate or suspicious items. If you have questions about ProtectMyID, need help understanding something on your credit report or suspect that an item on your credit report may be fraudulent, please contact Experian's customer care center at (877) 441-6943.

Additional Precautions You Can Take

- Look out for any unusual activity or suspicious items on your credit card statements, bank account statements and credit reports.
- Consider contacting your credit card issuers and financial institutions to inform them of what happened.
- Promptly report incidents of suspected identity theft or fraud to local law enforcement, your financial institutions and to one of the three nationwide consumer reporting agencies to have it removed from your credit file. *Residents of Iowa should also report suspected incidents of identity theft or fraud to the Iowa Attorney General: Iowa Attorney General, Consumer Protection Division, 1305 E. Walnut Street Des Moines, IA 50319, 1-888-777-4590, consumer@ag.state.ia.us.*

You may periodically obtain credit reports from each of the three nationwide credit bureaus listed below to have information relating to fraudulent transactions removed. Under federal law, you are entitled to one free copy of your credit report every twelve months from each of the three credit bureaus. You may obtain a free copy of your credit report by visiting www.AnnualCreditReport.com or by calling 1-877-FACTACT (1-877-322-8228). If you would rather mail a written request, a request form is available on www.AnnualCreditReport.com. You may want to obtain copies of your credit reports to ensure the accuracy of the report information.



The three major credit bureaus are:

Equifax

1-888-766-0008

www.equifax.com

Experian

1-888-397-3742

www.experian.com

TransUnion

1-800-680-7289

www.transunion.com

Active PSEG employees can also view information about data security on a newly launched intranet site, available at the Employee Data Incident button on InfoCentral or www.informationcentral.pseg.com/corporate/security/data.jsp.

Fraud Alert

To further protect yourself, you may contact the fraud departments of the three major credit bureaus. They will discuss your options with you. You have the right to ask that the three credit bureaus place a "fraud alert" in your file. A fraud alert can make it more difficult for someone to get credit in your name because it tells creditors to follow certain procedures to protect you. However, it also may delay your ability to obtain credit. You may place a fraud alert in your file by calling just one of the three credit bureaus. As soon as that agency processes your fraud alert, it will notify the other two credit bureaus, which then must also place fraud alerts in your file.

To learn more and to report incidents of identity theft, you can contact the Federal Trade Commission: www.consumer.gov/idtheft, or www.ftc.gov/credit, or call 1-877-IDTHEFT (1-877-438-4338).

For residents of Maryland: You may also obtain information about preventing and avoiding identity theft from the Maryland Office of the Attorney General: Maryland Office of the Attorney General, Consumer Protection Division, 200 St. Paul Place, Baltimore, MD 21202, 1-888-743-0023, www.oag.state.md.us

For residents of North Carolina: You may also obtain information about preventing and avoiding identity theft from North Carolina Attorney General's Office: North Carolina Attorney General's Office, Consumer Protection Division, 9001 Mail Service Center, Raleigh, NC 27699-9001, 1-877-5-NO-SCAM, www.ncdoj.gov.