

PUBLIC SERVICE ENTERPRISE GROUP INC
Form 8-K
January 03, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 29, 2006

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED

(Exact name of registrant as specified in its charter)

New Jersey
(State or other
jurisdiction of
incorporation)

001-09120
(Commission File Number)

22-2625848
(I.R.S. Employer
Identification No.)

80 Park Plaza, P.O. Box 1171

Newark, New Jersey 07101-1171

(Address of principal executive offices) (Zip Code)

973-430-7000

(Registrant's telephone number, including area code)

<http://www.pseg.com>

PSEG POWER LLC

(Exact name of registrant as specified in its
charter)

Delaware
(State or other
jurisdiction of
incorporation)

000-49614
(Commission File Number)

22-3663480
(I.R.S. Employer
Identification No.)

80 Park Plaza, T-25

Newark, New Jersey 07102-4194

(Address of principal executive offices) (Zip Code)

973-430-7000

(Registrant's telephone number, including area code)

<http://www.pseg.com>

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

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- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))
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Section 2 □ Financial Information

Item 2.06 Material Impairments

Public Service Enterprise Group Incorporated (PSEG) announced today that its subsidiary, PSEG Power LLC (Power), has reached agreement to sell its Lawrenceburg Energy Center located in Lawrenceburg, Indiana, to AEP Generating Company, a subsidiary of American Electric Power Company, Inc. (AEP). The facility is a 1,096-megawatt, gas-fired combined cycle electric generating plant that entered commercial operation in the summer of 2004.

The sale price for the facility and inventory is \$325 million. The proceeds, together with anticipated reduction in tax liability, will be approximately \$425 million and will be used to retire debt. PSEG and Power have determined that as of the date of this report, the transaction will result in an after-tax charge to PSEG and Power earnings of approximately \$210 million, or about \$0.83 cents per share of PSEG common stock and will be reflected as a charge to discontinued operations in the fourth quarter of 2006.

The sale is subject to approval by the Federal Energy Regulatory Commission, the U.S. Securities and Exchange Commission, compliance with the Hart Scott Rodino act, and may also require certain state regulatory approvals in Indiana. It is anticipated that the transaction will close in the second quarter of 2007.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

Exhibit 99 - Press Release announcing the agreement to sell the Lawrenceburg Energy Center dated January 2, 2007.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED

(Registrant)

By: /s/ Derek M. DiRisio

Derek M. DiRisio
Vice President and Controller
(Principal Accounting Officer)

Date: January 3, 2007

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

PSEG POWER LLC

(Registrant)

By: /s/ Derek M. DiRisio

Derek M. DiRisio
Vice President and Controller
(Principal Accounting Officer)

Date: January 3, 2007