

Edgar Filing: Flexion Therapeutics Inc - Form SC 13G/A

Flexion Therapeutics Inc
Form SC 13G/A
February 14, 2019

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 4)*

Flexion Therapeutics, Inc.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

33938J106
(CUSIP Number)

December 31, 2018
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
Capital World Investors **

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a)

3 SEC USE ONLY (b)

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5 SOLE VOTING POWER

2,352,700

6 SHARED VOTING POWER

NUMBER OF
SHARES
BENEFICIAALLY
OWNED BY

NONE

7 SOLE DISPOSITIVE POWER

EACH
REPORTING
PERSON
WITH:

2,352,700

8 SHARED DISPOSITIVE POWER

NONE

9 AGGREGATE AMOUNT BENEFICIAALLY OWNED BY EACH REPORTING PERSON

2,352,700
13d-4

Beneficial ownership disclaimed pursuant to Rule

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

6.2%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IA

** A division of Capital Research and Management Company (CRMC)

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SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Schedule 13G
Under the Securities Exchange Act of 1934

Amendment No. 4

Item 1(a) Name of Issuer:
Flexion Therapeutics, Inc.

Item 1(b) Address of Issuer's Principal Executive Offices:
10 Mall Road, Suite 301
Burlington, MA 01803

Item 2(a) Name of Person(s) Filing:
Capital World Investors

Item 2(b) Address of Principal Business Office or, if none,
Residence:
333 South Hope Street
Los Angeles, CA 90071

Item 2(c) Citizenship: N/A

Item 2(d) Title of Class of Securities:
Common Stock

Item 2(e) CUSIP Number:
33938J106

Item 3 If this statement is filed pursuant to sections 240.13d-1(b)
or 240.13d-2(b) or (c), check whether the person filing is a:
(e) An investment adviser in accordance with
section 240.13d-1(b) (1) (ii) (E).

Item 4 Ownership

Provide the following information regarding the aggregate
number and percentage of the class of securities of the issuer
identified in Item 1.

- (a) Amount beneficially owned:
- (b) Percent of class:
- (c) Number of shares as to which the person has:
 - (i) Sole power to vote or to direct the vote:
 - (ii) Shared power to vote or to direct the vote:
 - (iii) Sole power to dispose or to direct the disposition of:
 - (iv) Shared power to dispose or to direct the disposition of:

See page 2

Capital World Investors divisions of CRMC and Capital

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International Limited collectively provide investment management services under the name Capital World Investors. Capital World Investors is deemed to be the beneficial owner of 2,352,700 shares or 6.2% of the 37,856,737 shares believed to be outstanding.

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Item 5 Ownership of Five Percent or Less of a Class. If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: []

Item 6 Ownership of More than Five Percent on Behalf of Another Person: One or more clients of Capital World Investors have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Common Stock of Flexion Therapeutics, Inc.. Capital World Investors holds more than five percent of the outstanding Common Stock of Flexion Therapeutics, Inc. as of December 31, 2018 on behalf of each of the following client(s):

SMALLCAP World Fund, Inc.

Item 7 Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person: N/A

Item 8 Identification and Classification of Members of the Group: N/A

Item 9 Notice of Dissolution of Group: N/A

Item 10 Certification

By signing below, I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 12, 2019

Signature: /s/ Michael J. Triessl
Name/Title: Michael J. Triessl - Senior Vice
President and Senior Counsel, Fund
Business Management Group
Capital Research and Management Company

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/td>

Plan Interest in Master Employee Benefit Plan Trust (Note 3)

\$
1,620,780

\$
1,512,654

Total Investments

1,620,780

1,512,654

Receivables:

Participant Loans

16,945

16,465

Deposits and Contributions – Employees

1

4

Deposits and Contributions – Employer

1

3

Total Receivables

16,947

16,472

Total Assets

1,637,727

1,529,126

LIABILITIES

Accounts Payable

1,851

880

Accrued Expenses

788

621

Total Liabilities

2,639

1,501

NET ASSETS AVAILABLE FOR BENEFITS

\$

1,635,088

\$

1,527,625

See Notes to Financial Statements.

2

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED
THRIFT & TAX-DEFERRED SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2016

	(Thousands)
ADDITIONS	
Net Investment Income	
Plan Interest in Income of Master Employee Benefit Plan Trust (Note 3)	\$ 114,183
Interest on Participant Loans	530
Total Net Investment Income	114,713
Deposits and Contributions	
Employees	58,848
Employer	19,713
Total Deposits and Contributions	78,561
Total Additions	193,274
DEDUCTIONS	
Benefit Payments to Participants	89,274
Administrative Expenses	1,891
Total Deductions	91,165
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS, PRIOR TO TRANSFERS	102,109
Transfers from Employee Savings Plan-Net	5,354
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	107,463
NET ASSETS AVAILABLE FOR BENEFITS	
Beginning of Year	1,527,625
End of Year	\$ 1,635,088

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

General

The following description of the Public Service Enterprise Group Incorporated Thrift and Tax-Deferred Savings Plan (“Plan”) is provided for general information purposes only. Participants should refer to the Summary Plan Description (“SPD”) for more information.

The Plan is a defined contribution retirement plan covering substantially all non-bargaining unit employees of Public Service Enterprise Group Incorporated (“Company”) and its Participating Affiliates (each, an “Employer”). The Company’s Employee Benefits Committee (“Benefits Committee”) is the Named Fiduciary of the Plan and controls and manages its operation and administration. The Company’s Thrift and Pension Investment Committee (“TPIC”) is the Named Fiduciary of the Plan responsible for management of the Plan investments and the selection, and monitoring of the funds offered under the Plan. The trustee of the Plan, The Bank of New York Mellon (“Trustee”), is responsible for the custody of the Plan’s assets. Aon Hewitt is the record keeper of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Substantially all of the Plan’s assets are held in a trust account by the Trustee and consist of a divided interest in an investment account of the Master Employee Benefit Plan Trust (“Master Trust”), a master trust established by the Company and administered by the Trustee.

Contributions, Deposits and Investment Options

Generally, Participants may contribute from 1% to 8% of their annual eligible compensation each year as basic deposits, as defined in the Plan (“Basic Deposits”), subject to certain Internal Revenue Code (“IRC”) limitations. The Participant’s Employer contributes an amount equal to 50% of each Participant’s Basic Deposit as its matching contribution to the Plan (“Employer Contributions”). Employer Contributions begin after that Participant has completed 1,000 hours of service, as defined in the Plan, with his/her Employer. Employer Contributions are made in cash. Participants may also contribute amounts representing distributions from other qualified plans and certain Individual Retirement Accounts (“IRAs”).

Participants have the ability to make Roth Elective Deferrals within the Plan. In addition, a Participant may elect to make supplemental deposits to the Plan in increments of 1% of compensation up to an additional 42% of compensation (“Supplemental Deposits”), subject to certain IRC limitations, without any corresponding matching Employer Contribution. Participants may designate such Basic and/or Supplemental Deposits as post-income tax contributions or Roth Elective Deferrals (together, “Nondeferred Deposits”), or pre-income tax contributions (“Deferred Deposits”).

Each Participant may, within any Plan Year, make one or more additional lump sum deposits on a nondeferred basis in minimum amounts of \$250 and in such total amounts which, when aggregated with such Participant’s Basic Deposits and Supplemental Deposits, do not exceed 50% of his or her compensation for that Plan Year, subject to IRC limitations.

Participants may direct the investment of their accounts into various investment options offered by the Plan through the Master Trust. The Plan offers investment options in Investment Contracts, the Common Stock of the Company via the Enterprise Common Stock Fund (“Company Stock Fund”), which has been designated as an Employee Stock Ownership Plan (“ESOP”) under section 4975(e) of the Code, the Schwab Personal Choice Retirement Account (“PCRA”), mutual funds consisting of various target-date funds, other mutual funds and pre-mix portfolios (which are invested in specific percentages of the mutual funds).

There is a Frozen ESOP Fund which includes amounts only for Participants who were hired prior to August 1, 1986 and eligible for participation. Contributions to, or transfers into the Frozen ESOP Fund are no longer permitted. Frozen ESOP Fund Participants receive quarterly payments directly from the Trustee equal to the dividends paid to the Trustee on the shares of the Company Common Stock held for their account in the Frozen ESOP Fund.

Participant Accounts

Individual accounts are maintained for each Participant. Each Participant's account consists of (a) Participant's contributions (b) applicable Employer contributions, (c) earnings and/or losses, and (d) specific Participant transactions, as defined. The Participant's account is reduced for certain administrative expenses. The benefit to which a Participant or beneficiary is entitled

NOTES TO FINANCIAL STATEMENTS

upon death, disability, retirement or termination of service, as applicable, is the benefit that can be provided from the Participant's vested account.

Participants who have elected to participate in the Company Stock Fund may elect to have the dividends on the shares of the Common Stock paid directly to the Participant (or beneficiary) in cash or paid to the Participant's account, which will then be reinvested in the Company Common Stock Fund. The reinvestment provision is not applicable with respect to Company Common Stock held in a Participant's Frozen ESOP Fund.

Participant Loans

Except as discussed in the following paragraph, Participants may borrow from their Plan accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance at the time the loan is originated. The loans are secured by the balance in the Participant's account and existing loans bear interest at rates that at December 31, 2016, range from 3.25% to 8.25%, which are commensurate with local prevailing rates at the time that the loan was originated, as determined, at such time by the Benefits Committee. Principal and interest is paid ratably through payroll deductions.

No amounts may be loaned directly from any ESOP Fund, from any portion of a Participant's account attributable to transfers from the Cash Balance Pension Plan of Public Service Enterprise Group Incorporated ("Cash Balance Plan") or from assets held in the Schwab PCRA. Participants can initiate only one loan per calendar year and may have no more than two loans outstanding at any one time.

These loans are measured at their unpaid principal balances plus any accrued but unpaid interest.

Payment of Benefits

Upon termination of service due to retirement, a Participant may elect to receive an amount equal to the value of the vested interest in his or her account in either a lump-sum payment, or in quarterly or annual installments over a period not to exceed ten years (if the participant is retirement eligible), or may elect to leave the account balance in the Plan and elect a distribution at a later time. If a Participant is no longer working for the Company and has a balance in the Plan, he or she must begin to receive distributions from his or her account no later than April 1 following the calendar year in which he or she reaches age 70½. If a Participant's account balance is less than \$1,000 at the time of termination, the Participant will receive an automatic lump-sum payment for the entire account balance. For termination due to death, the Participant's beneficiary will receive a lump-sum distribution equal to the value of the Participant's vested interest in his or her account. For termination of service for reasons other than those described above, the Participant may elect to receive a lump-sum distribution equal to the value of the Participant's vested interest in his or her account, or leave the account balance in the Plan and elect a distribution at a later date, but not later than April 1 following the calendar year in which he or she reaches age 70 ½.

If a Participant withdraws certain Basic and/or Supplemental Deposits and/or vested Employer Contributions before such amounts have been in the Plan for twenty-four months, the Plan imposes a penalty in that such Participant will not be eligible to receive matching Employer Contributions during the subsequent three months.

Withdrawals of Nondeferred Deposits and Employer Contributions are made as soon as practicable after such elections are received by the Plan's record keeper. Nondeferred Deposits may be withdrawn at any time, but certain penalties may apply. Deferred Deposits may not be withdrawn during employment prior to age 59½ except for reasons of extraordinary financial hardship and to the extent permitted by the IRC ("hardship withdrawals"). Distributions to Participants of approved hardship withdrawals are made as soon as practicable after such approval. If a Participant receives a hardship withdrawal, such Participant will not be eligible to make contributions to the Plan for six months.

Vesting

All Participants are 100% vested in the Plan from the first date of hire, except for certain amounts transferred from the Cash Balance Plan, for which the vesting schedule under the Cash Balance Plan applies.

Recently Issued Accounting Standards

In July 2015, the FASB issued ASU 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960) Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965): Part (I) Fully Benefit-Responsive Investment Contracts, Part (II) Plan Investment Disclosures, Part (III) Measurement Date Practical Expedient. This three-part standard simplified employee benefit reporting with respect to fully benefit-responsive investment contracts and plan

NOTES TO FINANCIAL STATEMENTS

investment disclosures, and provided for a measurement-date practical expedient. Part I and II were effective for fiscal years beginning after December 15, 2015, to be applied retrospectively, with early application permitted. Part III was effective for fiscal years beginning after December 15, 2015, to be applied prospectively, with early application permitted. Plan management elected to adopt Parts I and II early. Accordingly, presentation of the fair value of the benefit-responsive contracts and the adjustment from fair value to contract value for fully benefit-responsive investment contracts held by the Master Trust has been removed from the Plan's Statement of Net Assets Available for Benefits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan permits Participants to select from among various investment options. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect Participants' account balances and the amounts reported in the financial statements.

Investment Valuation and Income Recognition

The Plan's investment is in the Master Trust. The investments maintained in the Master Trust are stated at fair value, as determined by quoted market prices, except for its contracts within the Stable Value Fund, which are valued at contract value, Short-Term Investments and Cash Equivalents. The Master Trust's investments in the investment contracts of the Stable Value Fund are with various insurance companies and other financial institutions. Contract value is discussed in Note 3.

Certain Short-Term Investments and Cash Equivalents are stated at cost, which approximates fair market value.

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Master Trust are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Master Trust are deemed to be actively traded and are redeemable daily without restriction. Shares held by Company Stock Fund and Frozen ESOP Fund are valued at their closing price reported on the active market on which the security is traded daily.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date.

Payment of Benefits

Benefit payments to Participants are recorded upon distribution. Amounts allocated to accounts of persons who have elected to withdraw from the Plan, but have not yet been paid were \$1,182,760 and \$84,269 as of December 31, 2016 and 2015, respectively.

Administrative Expenses of the Plan

Certain expenses incurred with the general administration of the Plan, including taxes and brokerage costs, are recorded in the accompanying Statement of Changes in Net Assets Available for Benefits. Certain administrative functions performed by the officers and employees of the Company are paid by Employers (Note 6).

NOTES TO FINANCIAL STATEMENTS

Transfers of the Frozen ESOP Fund

Participants are permitted to transfer all, but not less than all, of the shares of the Company's Common Stock from their Frozen ESOP Fund to other investment options in the Plan. To effectuate such transfers, the Trustee will sell the shares of the Company's Common Stock held in the Frozen ESOP Fund and invest the proceeds in the other investment funds designated by the Participant. The cash value of each share of the Company's Common Stock transferred will be equal to the price per share of the Company's Common Stock actually received by the Trustee.

3. INVESTMENT OF THE PLAN AND THE PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED EMPLOYEE SAVINGS PLAN (SAVINGS PLAN) IN THE MASTER TRUST

Use of the Master Trust permits the commingling of trust assets with the assets of the Savings Plan for investment and administrative purposes. The Savings Plan is a defined contribution retirement plan available to represented employees of the Employers. Although assets of both plans are commingled in the Master Trust, the Trustee maintains supporting records for the purpose of allocating the net assets and income or loss of the investment account to the respective participating plans. The net assets and the investment income or loss of the investment assets is allocated by the Trustee to each participating plan based on the relationship of the interest of each plan to the total of the interests of the participating plans. As of December 31, 2016 and 2015, the Plan's interests in the assets of the Master Trust were approximately 52%. Master Trust investments consisted of:

	As of December 31,	
	2016	2015
	(Thousands)	
Investments of Master Trust at fair value:		
Cash Equivalents and Short-Term Investments	\$81,965	\$39,148
Common Stock of Public Service Enterprise Group Incorporated*	229,124	215,512
Mutual Funds	1,627,825	1,499,429
Fixed Income Securities	193,336	197,073
Schwab PCRA (a)	98,627	89,298
Total Investments, at fair value	2,230,877	2,040,460
Investment of Master Trust, at contract value:		
Investment contracts (Stable Value Fund)	871,621	832,581
Net Accounts Receivable (Payable) (a)	(29,166)	(22,444)
Total Investments of Master Trust	\$3,073,332	\$2,850,597

(a) Includes interest and dividends and receivables and payables related to pending securities sales and purchases.

	For the Year Ended December 31, 2016 (Thousands)
Investment Income of Master Trust:	
Net Appreciation in Fair Value of Mutual Funds and Fixed Income Securities	\$ 153,083
Net Appreciation in Fair Value of Schwab PCRA (a)	6,412
Net Appreciation in Fair Value of Common Stock of Public Service Enterprise Group Incorporated*	28,588
Interest from Investment Contracts	19,163
Dividends from Common Stock of Public Service Enterprise Group Incorporated*	8,655
Total Investment Income, Net	\$ 215,901

(a) Amounts primarily relate to equity investments in stocks and in mutual funds. The net change in fair value is primarily comprised of realized/unrealized gains or losses and dividends earned on these equity investments.

*Permitted party-in-interest.

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NOTES TO FINANCIAL STATEMENTS

The changes in net assets of the Master Trust for the year ended December 31, 2016 are summarized as follows:

	For the Year Ended December 31, 2016 (Thousands)	
Changes in net assets:		
Net appreciation of investments	\$	188,083
Dividends from Common Stock of Public Service Enterprise Group Incorporated	8,655	
Interest from Investment Contracts	19,163	
Net Investment Income	215,901	
Administrative Expenses	(3,669)
Net Transfers	10,503	
Increase in Net Assets	222,735	
Net Assets		
Beginning of Year	2,850,597	
End of Year	\$	3,073,332

Assets of the Stable Value Fund

The Stable Value Fund utilizes a “building block” approach that invests in a series of proprietary commingled fixed income funds to build each stable value portfolio. This approach provides diversification, typically between 2,500 and 3,000 individual securities broadly diversified across fixed income sectors. As of December 31, 2016, the Stable Value Fund was comprised of the following:

Issuer	Expiration	Effective Rate	Contract Value (Thousands)
Bank of Tokyo (A)	Open-Ended	1.95 %	\$ 104,536
Pacific Life Insurance (A)	Open-Ended	2.27 %	155,095
Prudential Ins Co. (A)	Open-Ended	2.27 %	148,925
Transamerica (A)	Open-Ended	2.26 %	154,522
RGA (A)	Open-Ended	1.97 %	152,116
Voya Retirement & Annuity Co. (A)	Open-Ended	2.13 %	156,427
Total Investment Contracts			871,621
Investment in BlackRock Financial Mgmt Short-Term Investment		0.32 %	40,793
Total Stable Value Fund			\$ 912,414

(A) Managed by INVESCO Institutional, Inc.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2015, the Stable Value Fund was comprised of the following:

Issuer	Expiration	Effective Rate	Contract Value (Thousands)
Bank of Tokyo (A)	Open-Ended	1.95 %	\$ 77,944
Pacific Life Insurance (A)	Open-Ended	2.27 %	200,975
Prudential Ins Co. (A)	Open-Ended	2.27 %	145,449
Transamerica (A)	Open-Ended	2.26 %	200,487
Voya Retirement & Annuity Co. (A)	Open-Ended	2.13 %	207,726
Total Investment Contracts			832,581
Investment in BNY Mellon Short-Term Investment Fund		0.22 %	21,474
Total Stable Value Fund			\$ 854,055

(A) Managed by INVESCO Institutional, Inc.

Most of the investments in the Stable Value Fund are in benefit-responsive investment contracts. The units in the underlying “building block funds” are held by the Plan’s Trustee. The accounts are credited with earnings on the underlying investments and charged for Participant withdrawals and administrative expenses. The investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Master Trust.

As described in Note 2, because the investment contracts are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contracts. Contract value, as reported to the Master Trust by the Stable Value Fund managers, represents contributions made under the contracts, plus earnings, less Participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuers or otherwise. The crediting interest rate is based on a formula agreed upon with the issuers, but may not be less than zero. Such rates are reviewed on a quarterly basis for resetting.

Certain events limit the ability of the Master Trust, as directed by the Plan, to transact at contract value with the issuers. Such events include the following: (1) amendments to the Plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan’s prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan Sponsor or other events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the Master Trust to qualify for exemption from federal income taxation or any required prohibited transaction exemption under ERISA. The TPIC does not believe that the occurrence of any such value event, which would limit the Plan’s ability to transact at contract value with Participants, is probable.

The average yield based on actual earnings was approximately 1.92% and 1.90% for 2016 and 2015, respectively. The average yield based on interest rate credited to Participants was approximately 2.07% and 2.15% for 2016 and 2015, respectively.

The fair market value of the wrapper contracts in the Stable Value Fund, which is the difference between the Fund’s fair value and contract value, was higher by \$10,929,788 and \$16,175,431 as of December 31, 2016 and 2015, respectively.

Assets of the Company Stock Fund

The assets of the Company Stock Fund are invested in shares of the Company’s Common Stock.

Schwab PCRA

The Schwab PCRA is a self-directed brokerage account in which Participants can select and manage a wide selection of investments, including mutual funds and stocks. Deposits into the Schwab PCRA must come from balances transferred from the other options in the Plan. Participants may transfer up to 100% of their account balance, less certain fees, to the Schwab PCRA.

NOTES TO FINANCIAL STATEMENTS

4. FAIR VALUE MEASUREMENTS

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1—measurements utilize quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2—measurements include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3—measurements use unobservable inputs for assets or liabilities, based on the best information available and might include an entity's own data and assumptions.

In some valuations, the inputs may fall into different levels of the hierarchy. In these cases, the financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following tables present information about the Master Trust's investments measured at fair value on a recurring basis at December 31, 2016 and December 31, 2015, including the fair value measurements and the levels of inputs used in determining those fair values.

Description	Recurring Fair Value Measurements as of December 31, 2016			
	Total	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(Thousands)			
Cash Equivalents and Short-Term Investments	\$81,965	\$ 62,533	\$ 19,432	\$ —
Common Stock of Public Service Enterprise Group Incorporated	229,124	229,124	—	—
Mutual Funds:				
Vanguard Developed Markets	278,323	278,323	—	—
Vanguard Institutional Index Fund	612,780	612,780	—	—
Vanguard Mid Cap Fund	270,475	270,475	—	—
Vanguard Small Cap Fund	242,142	242,142	—	—
Vanguard Target Retirement Funds	214,481	214,481	—	—
Fidelity Intermediate Bond Fund	9,624	9,624	—	—
Fixed Income Securities	193,336	—	193,336	—
Schwab PCRA	98,627	97,799	828	—
Total Investment in Master Trust, at fair value	\$2,230,877	\$ 2,017,281	\$ 213,596	\$ —

NOTES TO FINANCIAL STATEMENTS

Recurring Fair Value Measurements as of
December 31, 2015

Description	Total	Quoted Market	Significant	Significant
		Prices for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
	(Thousands)			
Cash Equivalents and Short-Term Investments	\$39,148	\$ 39,148	\$ —	\$ —
Common Stock of Public Service Enterprise Group Incorporated	215,512	215,512	—	—
Mutual Funds:				
Vanguard Developed Markets	269,974	269,974	—	—
Vanguard Institutional Index Fund	570,336	570,336	—	—
Vanguard Mid Cap Fund	258,805	258,805	—	—
Vanguard Small Cap Fund	211,838	211,838	—	—
Vanguard Target Retirement Funds	181,937	181,937	—	—
Fidelity Intermediate Bond Fund	6,539	6,539	—	—
Fixed Income Securities	197,073	—	197,073	—
Schwab PCRA	89,298	88,440	858	—
Total Investment in Master Trust, at fair value	\$2,040,460	\$ 1,842,529	\$ 197,931	\$ —

In 2016, PSEG re-evaluated the classification, within the fair value hierarchy, of the investments included in the Master Trust. As a result, PSEG determined that at December 31, 2015, the Vanguard Target Retirement Funds and the Fidelity Intermediate Bond Fund investments should have been classified as Level 1 instead of Level 2 and certain investments in the Schwab PCRA should have been classified as Level 2 instead of Level 1, as previously presented for 2015. PSEG has determined that these errors were immaterial to its previously filed reports and, accordingly, has corrected the errors by revising the amounts disclosed for 2015 to report such investments in the appropriate levels. Certain commingled cash equivalents included in temporary investment funds are valued using observable market prices or market parameters such as time-to-maturity, coupon rate, quality rating and current yield.

5. FEDERAL INCOME TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated February 2, 2015, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). On or about January 31, 2014, the Company submitted an application to the IRS that the Plan and its related trust remain qualified. At the same time, the Company also submitted an application under the IRS' Employee Plans Compliance Resolution System to correct certain plan documents and operational errors. The Company has not yet received an updated determination letter or the compliance statement from the IRS.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2013.

6. RELATED-PARTY TRANSACTIONS

Certain Plan investments are in the Company's Common Stock. Since the Company is the Plan Sponsor, these transactions qualify as party-in-interest transactions. Certain administrative functions are performed by the officers

and employees of the Company (who may also be Participants in the Plan) at no cost to the Plan.

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NOTES TO FINANCIAL STATEMENTS

As of December 31, 2016 and 2015, the Master Trust held 5,221,613 and 5,570,223 shares, respectively, of the Company's Common Stock, in the Frozen ESOP Fund and the Company Stock Fund, with a market value per share of \$43.88 and \$38.69, respectively.

For the year ended December 31, 2016, the Master Trust recorded dividend income of approximately \$8.7 million from the Company's Common Stock.

These transactions are not deemed prohibited party-in-interest transactions, because they are covered by statutory or administrative exemptions from ERISA's rules on prohibited transactions.

7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event of Plan termination, Participants will become 100 percent vested in their accounts.

8. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following describes classification differences between the financial statements and the Form 5500:

	2016	2015
Net assets available for benefits per the financial statements	\$1,635,087,688	\$1,527,625,119
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	5,724,663	8,524,932
Net assets available for benefits per Form 5500	\$1,640,812,351	\$1,536,150,051

The Form 5500 includes a Net Investment Gain of \$109,491,770 from Master Trust Investments for the year ended December 31, 2016 consisting of \$111,382,283 of Investment Gains (comprised of the \$114,182,551 of the Plan's interest in gains of the Master Trust less the \$2,800,268 adjustment from fair value to contract value for fully benefit-responsive investment contracts) less \$1,890,512 of administrative expenses.

NOTES TO FINANCIAL STATEMENTS

PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED

THRIFT AND TAX-DEFERRED SAVINGS PLAN

PLAN No. 004, EIN No. 22-2625848

SCHEDULE H, PART IV LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR) DECEMBER 31, 2016

Identity of Issue, Borrower or Similar Party	Description of Investment	Cost	Current Value
Various Participants *	1333 Participant Loans (maturing 2017 to 2022 at interest rates of 3.25% to 8.25%), secured by participant accounts	\$	-\$16,944,925

*Permitted party-in-interest.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this Annual Report to be signed by the undersigned thereunto duly authorized.

Public Service Enterprise Group Incorporated

Thrift and Tax-Deferred Savings Plan

(Name of Plan)

By: /s/ Margaret M. Pego

Margaret M. Pego

Chairperson of Employee

Benefits Committee

Date: June 29, 2017

EXHIBIT INDEX

Exhibit Number

23.1 Consent of Independent Registered Public Accounting Firm

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