

Public Service  
Electric and Gas  
Company

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**MAR 08 2000**

LR-N000085  
LCR H99-13 & LCR S99-23  
Docket Nos. 50-272, 50-311 & 50-354

U.S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, D.C. 20555

**Re: Salem Generating Station, Unit 1, Operating License No. DPR-70  
Salem Generating Station, Unit 2, Operating License No. DPR-75  
Hope Creek Generating Station, Unit 1, Operating License No. NPF-57  
Supplemental Information for Proposed  
Transfer of Non-Operating Ownership Interests**

Gentlemen:

This letter provides supplemental information relating to the proposed transfers of the minority, non-operating ownership interests of Atlantic City Electric Company ("ACE") and Delmarva Power & Light Company ("DP&L") in the Salem Nuclear Generating Station, Units 1 and 2, and the Hope Creek Generating Station. Specifically, this letter provides information on the current status of the regulatory approvals required for the transactions, other than the approval from the Nuclear Regulatory Commission.

Approvals are required in five states. In Delaware, approval was granted on February 28, 2000. In Maryland, the matter is not contested and an approval by the end of March 2000 is anticipated. Virginia is considering the matter on an expedited basis and it is expected that approval will be achieved by a settlement process in mid-April. In Pennsylvania, the notice period on the approval runs through February, so it is not yet known whether the matter will be contested. If uncontested, a March approval is expected. In New Jersey, approvals are required from the Board of Public Utilities ("BPU") and from the Department of Environmental Protection ("NJDEP"). The status of the BPU proceeding was discussed in our letter of January 26, 2000, on this matter, and has not changed. The NJDEP approval was obtained on February 17, 2000.

With respect to the federal approvals, all necessary approvals from the Federal Energy Regulatory Commission are expected by the end of March 2000. Private letter rulings have been requested from the Internal Revenue Service. The timing of action on these requests is difficult to predict, but it is anticipated that rulings could be issued to support an April 2000 transaction closure. The Securities Exchange Commission/Public Utility Holding Company Act approval is also expected in mid-April, at the latest.

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The above schedules are based upon the best available, current information and projections. However, it must be recognized that these dates are projections and are not binding on the various agencies involved. Certainly, PSE&G will inform the NRC of any significant new developments on these matters as and when they arise.

Based upon these schedules, the parties to these transactions involving the ACE and DP&L shares of the Salem and Hope Creek units are intending to close at the earliest date practicable after receipt of all regulatory approvals, with a goal of closing no later than April 30, 2000. Based upon these schedules, the parties request NRC approval of the license transfers by April 15, 2000.

If the NRC requires additional information, please contact Jeffrie J. Keenan, counsel for PSE&G and PSEG Nuclear at (856) 339-5429.

Sincerely,



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