



March 30, 2001

10 CFR § 50.75(f)(1) Report

U.S. Nuclear Regulatory Commission
Attn: Docket Control Desk
Mail Stop 0P1-17
Washington, DC 20555-0001

**RE: Hope Creek Generating Station, Unit 1, Operating License No. NPF-57
Salem Generating Station, Unit 1, Operating License No. DPR-70
Salem Generating Station, Unit 2, Operating License No. DPR-75
Peach Bottom Atomic Power Station, Unit 2, Operating License No. DPR-44
Peach Bottom Atomic Power Station, Unit 3, Operating License No. DPR-56
2001 NRC Nuclear Power Reactor Licensee Decommissioning Funding Assurance Status Report**

Ladies and Gentlemen:

On behalf of Atlantic City Electric Co. ("ACE") I enclose, pursuant to 10 CFR § 50.75(f)(1), the decommissioning funding assurance status report for the period ended December 31, 2000 for ACE's interest in the above referenced facilities.

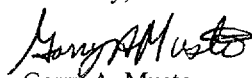
As stipulated in 10 CFR § 50.75(f)(1), the enclosed report contains information on (1) the amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c); (2) the amount accumulated to the end of the calendar year preceding the date of this report; (3) a schedule of the annual amounts remaining to be collected; (4) the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections; (5) any contracts the licensee is relying on pursuant to 10 CFR 50.75 (e)(1) (v); (6) any modifications to the method of providing financial assurance since the last submitted report; and (7) any material changes to the decommissioning trust agreements.

ACE's ownership interest, and corresponding percentage of the total estimated decommissioning costs, for each of the above referenced facilities is as follows:

<u>Facility</u>	<u>ACE's Ownership Interest</u>
Hope Creek Nuclear Generating Station	5.00%
Salem Nuclear Generating Station Unit One	7.41%
Salem Nuclear Generating Station Unit Two	7.41%
Peach Bottom Atomic Power Station Unit Two	7.51%
Peach Bottom Atomic Power Station Unit Three	7.51%

For any questions regarding this disclosure, please call me on (302) 429-3933.

Sincerely,


Garry A. Musto
Investment Manager

GAM:lsb

cc: Distribution

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2000 NRC Decommissioning Funding Status Report
Hope Creek Nuclear Generating Station
Licensee: Atlantic City Electric Co.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)

Atlantic City Electric Co. \$20,502,000

2. The market value amounts of the nuclear decommissioning trust funds accumulated at the end of the calendar year preceding the date of the report for the company's nuclear decommissioning liability

Atlantic City Electric Co. \$11,205, 658

3. A schedule of the annual amounts remaining to be collected according to the company's rates:¹

Amount remaining \$825,000/year
Number of years to collect 26 years

4. The assumptions used regarding escalation in decommissioning cost and rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

New Jersey:

Earnings rate 7.75%
Escalation factor 11.931²
Other N/A

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(v): **None**

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report:

None

7. Any material changes to trust agreements: **None**

¹ On April 21, 2000, the Commission approved the transfer of the interest of ACE in the Hope Creek Generating Station, Unit 1, to PSEG Nuclear LLC ("PSEG Nuclear"). (The approval was amended on December 19, 2000 to extend the effectiveness of the approval to December 31, 2001). Upon closing of the sale of ACE's interest, PSEG Nuclear will assume responsibility for making future decommissioning trust fund contributions and establishing an appropriate schedule for such contributions.

² The estimated cost of decommissioning the Unit is based on determinations from a site-specific study which were adjusted in proceedings before the New Jersey Board of Public Utilities (NJBP) in BPU Docket No. ER90091090J. The NJBP decommissioning escalation factor converts 1987 dollars into 2026 dollars. As a result, the total future estimated cost of decommissioning is \$2,924,539,000 in 2026 dollars, and the Company's share of the total estimated cost of decommissioning is \$146,227,000.

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2000 NRC Decommissioning Funding Status Report
Salem Nuclear Generating Station, Unit One
Licensee: Atlantic City Electric Co.

- 1 The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)

Atlantic City Electric Co. \$23,751,000

- 2 The market value amounts of the nuclear decommissioning trust funds accumulated at the end of the calendar year preceding the date of the report for the company's nuclear decommissioning liability

Atlantic City Electric Co. \$20,342,895

- 3 A schedule of the annual amounts remaining to be collected according to the company's rates:¹

Amount remaining \$689,690/year
Number of years to collect 8 years

- 4 The assumptions used regarding escalation in decommissioning cost and rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

New Jersey:

Earnings rate 7.75%
Escalation factor 4.637²
Other N/A

- 5 Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(v): **None**

- 6 Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report:

None

- 7 Any material changes to trust agreements: **None**

¹ On April 21, 2000, the Commission approved the transfer of the interest of ACE in the Salem Nuclear generating Station, Unit 1, to PSEG Nuclear. (The approval was amended on December 21, 2000 to extend the effectiveness of the approval to December 31, 2001). Upon closing of the sale of ACE's interest, PSEG Nuclear will assume responsibility for making future decommissioning trust fund contributions and establishing an appropriate schedule for such contributions.

² The estimated cost of decommissioning the Unit is based on determinations from a site-specific study which were adjusted in proceedings before the New Jersey Board of Public Utilities (NJBP) in BPU Docket No. ER90091090J. The NJBP decommissioning escalation factor converts 1987 dollars into 2008 dollars. As a result, the total future estimated cost of decommissioning is \$681,282,000 in 2008 dollars, and the Company's share of the total estimated cost of decommissioning is \$50,483,000.

**Connecticut
2000 NRC Decommissioning Funding Status Report
Salem Nuclear Generating Station, Unit Two
Licensee: Atlantic City Electric Co.**

- 1 The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)

Atlantic City Electric Co. \$23,751,000

- 2 The market value amounts of the nuclear decommissioning trust funds accumulated at the end of the calendar year preceding the date of the report for the company's nuclear decommissioning liability

Atlantic City Electric Co. \$21,325,181

- 3 A schedule of the annual amounts remaining to be collected according to the company's rates:¹

**Amount remaining \$1,114,000/year
Number of years to collect 8 years**

- 4 The assumptions used regarding escalation in decommissioning cost and rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

New Jersey:

**Earnings rate 7.75%
Escalation factor 4.661²
Other N/A**

- 5 Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(v): **None**

- 6 Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report:

None

- 7 Any material changes to trust agreements: **None**

¹ On April 21, 2000, the Commission approved the transfer of the interest of ACE in the Salem Nuclear generating Station, Unit 2, to PSEG Nuclear LLC. (The approval was amended on December 21, 2000 to extend the effectiveness of the approval to December 31, 2001). Upon closing of the sale of ACE's interest, PSEG Nuclear will assume responsibility for making future decommissioning trust fund contributions and establishing an appropriate schedule for such contributions.

² The estimated cost of decommissioning the Unit is based on determinations from a site-specific study which were adjusted in proceedings before the New Jersey Board of Public Utilities (NJBP) in BPU Docket No. ER90091090J. The NJBP decommissioning escalation factor converts 1987 dollars into 2008 dollars. As a result, the total future estimated cost of decommissioning is \$771,018,000 in 2008 dollars, and the Company's share of the total estimated cost of decommissioning is \$57,132,000.

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2000 NRC Decommissioning Funding Status Report
Peach Bottom Atomic Power Station, Unit Two
Licensee: Atlantic City Electric Co.

- 1 The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)

Atlantic City Electric Co. \$31,656,000

- 2 The market value amounts of the nuclear decommissioning trust funds accumulated at the end of the calendar year preceding the date of the report for the company's nuclear decommissioning liability

Atlantic City Electric Co. \$27,330,570

- 3 A schedule of the annual amounts remaining to be collected according to the company's rates¹

Amount remaining \$1,826,000/year
Number of years to collect 8 years

- 4 The assumptions used regarding escalation in decommissioning cost and rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

New Jersey:

Earnings rate 7.75%
Escalation factor 5.061²
Other N/A

- 5 Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(v): **None**

- 6 Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report:

None

- 7 Any material changes to trust agreements:

None

¹ On April 21, 2000, the Commission approved the transfer of the interest of ACE in the Peach Bottom Atomic Power Station, Unit 2 to PECO Energy Company ("PECO") and PSEG Nuclear. (The approval was amended on December 27, 2000 to extend the effectiveness of the approval to December 31, 2001). In addition, on August 3, 2000, the NRC issued an Order approving the transfer of PECO's interests in Peach Bottom Unit 2 to Exelon Generating Company ("EGC"). Upon closing of the sale of ACE's interest, PSEG Nuclear and EGC will assume responsibility for making future decommissioning trust fund contributions and establishing an appropriate schedule for such contributions.

² The estimated cost of decommissioning the Unit is based on determinations from a site-specific study which were adjusted in proceedings before the New Jersey Board of Public Utilities (NJBP) in BPU Docket No. ER90091090J. The NJBP decommissioning escalation factor converts 1987 dollars into 2008 dollars. As a result, the total future estimated cost of decommissioning is \$975,148,000 in 2008 dollars, and the Company's share of the total estimated cost of decommissioning is \$73,234,000.

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2000 NRC Decommissioning Funding Status Report
Peach Bottom Atomic Power Station, Unit Three
Licensee: Atlantic City Electric Co.

- 1 The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)

Atlantic City Electric Co. \$31,656,000

- 2 The market value amounts of the nuclear decommissioning trust funds accumulated at the end of the calendar year preceding the date of the report for the company's nuclear decommissioning liability

Atlantic City Electric Co. \$28,796,051

- 3 A schedule of the annual amounts remaining to be collected according to the company's rates:¹

Amount remaining \$1,970,000/year
Number of years to collect 8 years

- 4 The assumptions used regarding escalation in decommissioning cost and rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

New Jersey:

Earnings rate 7.75%
Escalation factor 4.969²
Other N/A

- 5 Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(v): **None**

- 6 Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report:

None

- 7 Any material changes to trust agreements: **None**

¹ On April 21, 2000, the Commission approved the transfer of the interest of ACE in the Peach Bottom Atomic Power Station, Unit 3 to PECO and PSEG Nuclear. (The approval was amended on December 27, 2000 to extend the effectiveness of the approval to December 31, 2001). In addition, on August 3, 2000, the NRC issued an Order approving the transfer of PECO's interests in Peach Bottom Unit 3 to EGC. Upon closing of the sale of ACE's interest, PSEG Nuclear and EGC will assume responsibility for making future decommissioning trust fund contributions and establishing an appropriate schedule for such contributions

² The estimated cost of decommissioning the Unit is based on determinations from a site-specific study which were adjusted in proceedings before the New Jersey Board of Public Utilities (NJBP) in BPU Docket No. ER90091090J. The NJBP decommissioning escalation factor converts 1987 dollars into 2008 dollars. As a result, the total future estimated cost of decommissioning is \$1,034,100,000 in 2008 dollars, and the Company's share of the total estimated cost of decommissioning is \$77,660,900.