

MAR 3 1 2004

LR-N04-0158



United States Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555

**GUARANTEED RETROSPECTIVE PREMIUMS
FOLLOWING A NUCLEAR ACCIDENT
SALEM AND HOPE CREEK GENERATING STATIONS
DOCKET NOS. 50-272, 50-311 & 50-354
FACILITY OPERATING LICENSE NOS. DPR-70, -75 AND NPF-57**

Pursuant to the 1975 Amendments to the Price-Anderson Act (Public Law 94-197), the owners of Salem Generating Station, Unit Nos. 1 and 2, and the Hope Creek Generating Station submit the following statements and supporting documents to satisfy guarantee requirements as provided under 10CFR140.21(e):

1. 2003 Stockholders' Annual Report and/or Form 10-K of each owner (except as noted below).
2. Individual certified Internal Cash Flow Statements showing 2003 Actual and 2004 Projected with Explanation of Significant Variations (except as noted below).

Attachment 1 contains information proprietary to PSEG Power, LLC. PSEG Power, LLC requests that the contents of Attachment 1 be withheld from public disclosure in accordance with 10CFR2.390(a)(4). An affidavit supporting the 10CFR2.390(a)(4) request is contained in Attachment 2. A non-proprietary version of the Internal Cash Flow Statement is contained in Attachment 3.

The Exelon Energy Company LLC files similar documents for the owners of the Peach Bottom Atomic Power Station, Unit Nos. 2 and 3 and are therefore, not included in this submittal.

This letter forwards Proprietary Information in accordance with 10CFR 2.390. The balance of this letter may be considered non-proprietary upon removal of Attachment 1.

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Should you have any questions regarding this request, we will be pleased to discuss them with you.

Sincerely,

A handwritten signature in black ink, appearing to read "John Carlin". The signature is written in a cursive style with a large initial "J".

John Carlin
Vice President – Nuclear Assessments

Enclosure

- PSEG Power LLC, Annual Report

Attachments

1. PSEG Power LLC, Internal Cash Flow Statement (Proprietary)
2. Affidavit to withhold proprietary information
3. PSEG Power LLC, Internal Cash Flow Statement (Non-Proprietary)

This letter forwards Proprietary Information in accordance with 10CFR 2.390. The balance of this letter may be considered non-proprietary upon removal of Attachment 1.

C All w/o 2003 PSEG Power LLC, Annual Report and Attachment 1

Mr. H. Miller, Administrator - Region I
U. S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

USNRC Senior Resident Inspector - Salem (X24)

USNRC Senior Resident Inspector – Hope Creek (X24)

Mr. D. Collins, Project Manager – Hope Creek and Salem
U. S. Nuclear Regulatory Commission
Mail Stop 08C2
Washington, DC 20555

Mr. K. Tosch, Manager IV
Bureau of Nuclear Engineering
P. O. Box 415
Trenton, NJ 08625

Mr. Ira Dinitz
U. S. Nuclear Regulatory Commission
Mail Stop 11F10
Washington, DC 20555

This letter forwards Proprietary Information in accordance with 10CFR 2.390. The balance of this letter may be considered non-proprietary upon removal of Attachment 1.

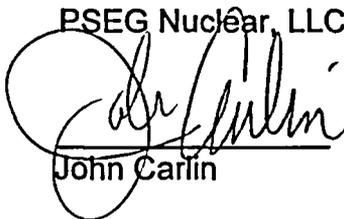
Attachment 2

Affidavit to withhold proprietary information in accordance with 10CFR 2.390(a)(4)

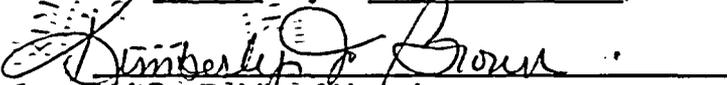
AFFIDAVIT

I, John Carlin, Vice President – Nuclear Assessment of PSEG Nuclear LLC (PSEG), do hereby affirm and state:

1. I am an officer of PSEG authorized to execute this affidavit on its behalf. I am further authorized to review information submitted to the Nuclear Regulatory Commission (NRC) and apply for the withholding of information from disclosure.
2. PSEG is providing information pursuant to 10CFR140.21(e), which constitutes proprietary financial information that should be held in confidence by the NRC pursuant to the policy reflected in 10CFR2.390(a)(4), because:
 - i. This information is and has been held in confidence by PSEG.
 - ii. This information is of a type that is held in confidence by PSEG, and there is a rational basis for doing so because the information contains sensitive financial information concerning PSEG's projected revenues and operating expenses.
 - iii. The information is being transmitted to the NRC in confidence.
 - iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
 - v. Public disclosure of this information would create substantial harm to the competitive position of PSEG by disclosing PSEG's internal financial projections to other parties whose commercial interests may be adverse to those of PSEG.
3. Accordingly, PSEG requests that the designated documents be withheld from public disclosure pursuant to the policy reflected in 10CFR2.390(a)(4).

PSEG Nuclear, LLC

John Carlin

Subscribed and Sworn to before me
this 31st day of March, 2004


Notary Public of New Jersey

My Commission expires on _____

Kimberly J. Brown
Notary Public of New Jersey
My Commission Expires June 16, 2008

Attachment 3

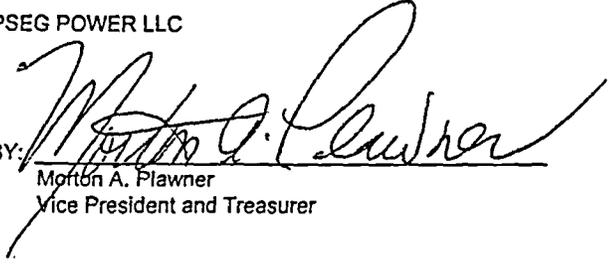
**Non-Proprietary
PSEG Power LLC
(Salem and Hope Creek)
Projected Internal Cash Flow Statement
For Year 2004 Compared to 2003 Actual**

PSEG Power LLC
(Salem and Hope Creek)
Projected Internal Cash Flow Statement
For Year 2004 Compared to 2003 Actual
(Millions)

	<u>2003</u> <u>Actual</u>	<u>2004</u> <u>Projected</u>	<u>Explanation of Significant Variations</u>
Net Income	\$ 844	\$.	Related to Cumulative Effect of a Change in Accounting Principle-see below
Less: Dividends Paid	<u> -</u>	<u> -</u>	
Retained in Business	<u>844</u>	<u> -</u>	
Adjustments:			
Depreciation and Amortization	102		Higher average plant balances due to various completed construction and development activity
Amortization of Nuclear Fuel	89		
Deferred Income Taxes and Investment Tax Credits	151		
Accretion on NDT Liability	24		
Net Realized Gain and Income on NDT Funds	(65)		
Unrealized (Gains) Losses on Energy Trading Contracts	33		Trading activity not planned at unrealized level
Non-Cash Employee Benefit Plan Contracts	54		
Cumulative Effect of a Change in Accounting Principle, net of tax	(370)		Related to the adoption of SFAS 143, "Accounting for Asset Retirement Obligations" on January 1, 2003
Allowance for Funds Used During Construction and Interest Capitalized During Construction	<u>(109)</u>	<u> -</u>	
Total Adjustments	<u>(91)</u>	<u> -</u>	
Internal Cash Flow	\$ <u>753</u>	\$ <u> -</u>	
Average Quarterly Cash Flow	\$ <u>188</u>	\$ <u> -</u>	

As indicated by this statement, the Average Quarterly Cash Flow covers the maximum contingent liability, which amounts to \$22 million annually, of PSEG Power LLC as defined under the Price Anderson Act.

PSEG POWER LLC

BY: 

Morton A. Plawner
Vice President and Treasurer

DATE: 3-26-04