

OCT 06 2005



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LCR H05-03
LCR S05-02

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

**ADDITIONAL INFORMATION REGARDING LICENSE TRANSFER APPLICATION
SALEM AND HOPE CREEK GENERATING STATIONS
FACILITY OPERATING LICENSE NUMBERS DPR-70, DPR-75, AND NPF-57
DOCKET NOS. 50-272, 50-311 AND 50-354**

- References:
- 1) PSEG Nuclear, LLC Letter, "Proposed License Transfer and Conforming License Amendments," dated March 8, 2005
 - 2) Exelon Generation Company, LLC and AmerGen Energy Company, LLC Letter, "Additional Information Regarding License Transfer Applications," dated May 24, 2005
 - 3) Exelon Generation Company, LLC Letter, "Additional Information Regarding License Transfer Application," dated October 5, 2005

Based on a telephone conference call between representatives of Exelon Generation Company, LLC (Exelon Generation), PSEG Nuclear, LLC (PSEG Nuclear) and the NRC on September 26, 2005, PSEG agreed to provide some clarifications to financial information regarding the request for license transfers associated with the proposed merger of Exelon Corporation and Public Service Enterprise Group. Attachment 1 provides the additional information.

Included in Attachment 1 are clarifications to the projected income statement and associated assumptions that were provided in References 1 and 2. Portions of the information in Attachment 1 have been redacted and are being provided by Exelon Generation in Reference 3. Accordingly, the information supplied by PSEG Nuclear is non-proprietary and suitable for public disclosure.

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OCT 06 2005

If you have any questions about this letter, please contact Jeffrie Keenan at (856) 339-5429.

Sincerely,



Darin Benyak
Director - Regulatory Assurance

Attachment

C: Mr. S. Collins, Administrator - Region I
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USNRC Senior Resident Inspectors (Salem and Hope Creek - X24)

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ADDITIONAL INFORMATION REGARDING LICENSE TRANSFER APPLICATION**

**CLARIFICATIONS TO EXELON GENERATION CONSOLIDATED COMPANY
PROJECTED INCOME STATEMENT**

CLARIFICATION TO PROJECTED INCOME STATEMENT ASSUMPTIONS

Exelon Generation Consolidated Company
Projected Income Statement (with Purchase Accounting) (\$M) (1)

	2006	2007	2008	2009	2010 (2)
Operating Revenues (3)					
Operating Expenses (4)					
Purchased Power					
Fuel					
Operation & Maintenance					
Depreciation & Amortization					
Administrative & Other					
Total Operating Expenses			redacted		
Operating Income (Loss)					
Other Income (Deductions)					
Income before Income Taxes					
Income Taxes					
Total Extraordinary Items					
Net Income (Loss)					

Note 1: Projected Income Statement does not reflect the effect of our market power mitigation plan to divest 5,500 MW of capacity, as such plan has not yet been finalized. Even with the mitigation plan in effect, change to the Projected Income statement will not be material.

Note 2: Detailed long range planning for Exelon Generation covered the period from 2006 to 2009; projected Net Income in 2010 is the same as 2009 based on the assumption of no projected growth.

Note 3: Revenue is calculated based on owned asset generation output multiplied by sales prices [] plus revenue from Purchased Power []. Sales prices are based on Purchase Power Agreements [] with counterparties (market participants) or from reverse auction contracts. Sales are predominately [] with Exelon Electric & Gas subsidiaries: ComEd, PECO, and PSE&G. In addition, miscellaneous revenue from fuel trading, purchase accounting adjustments, and merger synergies is included [].

Note 4: Purchase Power includes non-owned generation purchased on the spot market or through Purchase Power Agreements. Fuels expense includes coal, oil, natural gas and amortization of nuclear fuel (including spent nuclear fuel fee). Operation & Maintenance expense includes labor, pension and benefits, parts and materials, services and outage costs. Depreciation and amortization costs are on Genco assets (plant, property, equipment and software). Administrative and Other expenses include corporate center costs allocated to Exelon Generation, including headquarters cost, IT, Supply, HR and Finance.

EXELON GENERATION AND PSEG POWER CONSOLIDATION
Key Assumptions

	2006	2007	2008	2009	2010
Generation (GWh)					
Fossil & Hydro					
Nuclear					
Subtotal					
Purchases from Other Suppliers			redacted		
Total Supply (GWh)					
Market Sales (GWh)					
Average Market Price (\$/MWh) (5)					
Scheduled Nuclear Refueling Outages					

Note 5: Average Market Price is based on a conservative estimate of the future around-the-clock market prices as of the third quarter of 2004. Revenue estimates are calculated using actual Purchase Power Agreement prices [] .

PROJECTED INCOME STATEMENT ASSUMPTIONS (NON-PROPRIETARY)

Net Annual Mean Rating for the Units, Includes Upratings

Year	Braid wood 1	Braid wood 2	Byron 1	Byron 2	Clinton	Dresden 2	Dresden 3	LaSalle 1	LaSalle 2	Quad Cities 1	Quad Cities 2	Limerick 1	Limerick 2	Oyster Creek	Peach Bottom 2	Peach Bottom 3	TMI	Salem 1	Salem 2	Hope Creek	
2006																					
2007																					
2008																					
2009																					
2010																					

Resultant Net Capacity Factors - By Unit

Year	Braid wood 1	Braid wood 2	Byron 1	Byron 2	Clinton	Dresden 2	Dresden 3	LaSalle 1	LaSalle 2	Quad Cities 1	Quad Cities 2	Limerick 1	Limerick 2	Oyster Creek	Peach Bottom 2	Peach Bottom 3	TMI	Salem 1	Salem 2	Hope Creek	
2006																					
2007																					
2008																					
2009																					
2010																					

Refueling Outages - By Unit

Year	Braid wood 1	Braid wood 2	Byron 1	Byron 2	Clinton	Dresden 2	Dresden 3	LaSalle 1	LaSalle 2	Quad Cities 1	Quad Cities 2	Limerick 1	Limerick 2	Oyster Creek	Peach Bottom 2	Peach Bottom 3	TMI	Salem 1	Salem 2	Hope Creek	
2006																					
2007																					
2008																					
2009																					
2010																					

Fleet Wide Number of
Capacity Refueling
Factor Outages

2006
2007
2008
2009
2010

NOTE: Based on Analysis Performed for Merger Proposal 12/20/04

NOTE: Prior year's capacity factors for Hope Creek were 95% in 2002, 78% in 2003 and 66% in 2004. Forward projections represent significant improvement for Hope Creek under Exelon Generation due to application of the Exelon Nuclear Management Model. Management Model controls include outage planning and execution, material condition improvement and long term asset management programs, and fundamental principles of operation.