PSEG Nuclear LLC
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PSEG
Nuclear L.L.C.

MAR 31 2009

LR-N09-0074

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

NRC DECOMMISSIONING FUNDING STATUS REPORT
SALEM, HOPE CREEK AND PEACH BOTTOM GENERATING STATIONS
DOCKET NOS. 50-272, 50-311, 50-354, 50-277, AND 50-278
FACILITY OPERATING LICENSE NOS. DPR-70, 75, NPF-57 AND DPR-44, 56

This letter submits the status report of the decommissioning funds for the subject facilities in accordance with 10CFR §50.75(f)(1).

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

Plant	NRC Minimum Decommissioning Funding Requirements (PSEG Nuclear Share) ($ Thousands)
Hope Creek	587,108
Salem Unit #1	243,734
Salem Unit #2	243,734
Peach Bottom Unit #2	293,554
Peach Bottom Unit #3	293,554
Total	1,661,684

2. Amount accumulated as of December 31, 2008.

   The amount accumulated in both Qualified and Non-Qualified Trusts at December 31, 2008, for each respective Unit, is disclosed in the following Table:

Plant	($ Thousands) Qualified and Non-Qualified Total
Hope Creek	301,865
Salem Unit #1	187,371
Salem Unit #2	175,853
Peach Bottom Unit #2	159,382
Peach Bottom Unit #3	162,546
Total	987,017

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MAR 31 2009

3. Annual amounts remaining to be collected as of December 31, 2008.

   None[1]

4. Assumptions used regarding escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.

   For the purpose of determining if the NRC's minimum requirements are met, PSEG has calculated that the current fund balances and annual funding levels, together with earnings at a 2% annual rate of return, as permitted by 10CFR §50.75(e)(1)(ii), satisfy NRC's minimum funding assurance requirements.

5. Any contracts upon which the licensee is relying pursuant to 10 CFR §50.75(e)(1)(v).

   The licensee is not relying upon contracts in this regard.

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

   As of December 31, 2008, PSEG Nuclear has prepaid its nuclear decommissioning liability. The calculation is supported in Appendix A. PSEG Nuclear is now employing the safe storage option. Consistent with 10 CFR §50.75(e)(1)(i), PSEG Nuclear has developed a site-specific estimate.

7. Any material changes to trust agreements.

   None.

Should you have any questions regarding this report, please contact me at 856-339-5429.

Sincerely,

Jeffrie J. Keenan
Manager - Licensing

Appendix A

[1] New Jersey Board of Public Utilities (BPU) decision dated July 9, 2003.

MAR 31 2009

C Mr. S. Collins, Administrator – Region I
U. S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

U. S. Nuclear Regulatory Commission
ATTN: Mr. Rick Ennis, Licensing Project Manager – Hope Creek/Salem
Mail Stop 08B1
Washington, DC 20555-0001

USNRC Senior Resident Inspector – Salem (X24)
USNRC Senior Resident Inspector – Hope Creek (X24)

Mr. K. Tosch, Manager IV
Bureau of Nuclear Engineering
PO Box 415
Trenton, New Jersey 08625

APPENDIX A: Calculation of NRC Funding Requirements for Year 2008

Dollars in (000's)

PSEG NUCLEAR SHARE Station and Unit	Operating License Expiration Date	Remaining Years to End of Operating License Life	Remaining Years to start of Decommissioning	Decommissioning Funding Requirements IAW 10CFR50.75 (note 1)	Fair Market Value of External Fund as of December 31, 2008	Projected Value of External Fund at EOL (note 2)	Projected Value of External Fund at Start of Decommissioning (note 3)	Surplus (Shortfall)
Hope Creek Unit No. 1	April 11, 2026	17.3	60.8	$587,108	$301,865	$425,098	$615,390	$28,282
Salem Unit No. 1	August 13, 2016	7.6	51.1	$243,734	$187,371	$217,898	$291,801	$48,067
Salem Unit No. 2	April 18, 2020	11.3	54.8	$243,734	$175,853	$219,971	$296,756	$53,022
Peach Bottom Unit No. 2	August 8, 2033	24.6	68.1	$293,554	$159,382	$259,519	$419,956	$126,402
Peach Bottom Unit No. 3	July 2, 2034	25.5	69.0	$293,554	$162,546	$269,422	$443,624	$150,070
				$1,661,684	$987,017	$1,391,908	$2,067,526	$405,842

note 1: Amounts represent PSEG Nuclear's share of funding and are in year 2008 dollars.

note 2: Projected value of fund escalated at 2% compounded annually until license termination.

note 3: Projected value of fund escalated at 2% compounded from license termination until end of Safestor period less security and O&M. All Units assume 40 year Safestor + 3.5 years dismantlement.