

APR 01 2010

LR-N10-0115

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

Salem Nuclear Generating Station Units 1 and 2
Facility Operating License Nos. DPR-70 and 75
NRC Docket Nos. 50-272 and 50-311

Hope Creek Generating Station
Facility Operating License No. NPF-57
NRC Docket No. 50-354

Subject: 2010 Annual Report - Guarantees of Payment of Deferred Premiums

PSEG Nuclear LLC (PSEG) as the licensee of the Salem Generating Station Unit Nos. 1 and 2 and the Hope Creek Generating Station, submits the following statements and supporting documents to satisfy the guarantee of payment of deferred premium requirements as provided under 10 CFR 140.21(e) of the Regulations of the Nuclear Regulatory Commission:

1. 2009 PSEG Annual Report and/or Form 10-K. (Enclosure) Submitted in accordance with 10 CFR 50.71(b).
2. Individual certified Internal Cash Flow Statements showing 2009 Actual and 2010 Projected with Explanation of Significant Variations. (Attachment 2)
3. A non-proprietary version of the Internal Cash Flow Statement is contained in Attachment 3.

Attachment 2 contains information proprietary to PSEG. PSEG requests that the contents of Attachment 2 be withheld from public disclosure in accordance with 10 CFR 2.390(a)(4). An affidavit in support of PSEG's request to withhold proprietary information from public disclosure, in accordance with 10 CFR 2.390(a)(4), is included as Attachment 1.

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 2.

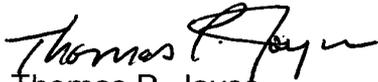
MOGH
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APR 01 2010

Document Control Desk
LR-N10-0115
Page 2

Should you have any questions regarding this transmittal, please contact Mrs. Erin West at (856) 339-5411.

Sincerely,



Thomas P. Joyce
President & Chief Nuclear Officer - PSEG Nuclear

Enclosure
2009 PSEG Annual Report

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

APR 01 2010

Document Control Desk
LR-N10-0115
Page 3

C All w/o 2009 PSEG Annual Report and Attachments 1 and 2

Mr. S. Collins, 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. R. Ennis, Project Manager – Hope Creek and Salem
U. S. Nuclear Regulatory Commission
Mail Stop 08B2
11555 Rockville Pike
Rockville, MD 20852

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

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 2.

Attachment 1
LR-N10-0115

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

AFFIDAVIT

I, Thomas P. Joyce, President & Chief Nuclear Officer of PSEG Nuclear LLC (PSEG), do hereby affirm and state:

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.

PSEG is providing information pursuant to 10 CFR 140.21(e), which constitutes proprietary financial information that should be held in confidence by the NRC pursuant to the policy reflected in 10 CFR 2.390(a)(4), because:

This information is and has been held in confidence by PSEG.

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.

The information is being transmitted to the NRC in confidence.

This information is not available in public sources and could not be gathered readily from other publicly available information.

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.

Accordingly, PSEG requests that the designated documents be withheld from public disclosure pursuant to the policy reflected in 10 CFR 2.390(a)(4).



Thomas P. Joyce
President & Chief Nuclear Officer – PSEG Nuclear

Subscribed and Sworn to before me

this 1 day of April, 2010



Notary Public of New Jersey

My Commission expires on 10/17/2012



Ann L. Shimp
Notary Public of New Jersey
My Commission Expires October 17, 2012

Attachment 3
LR-N10-0115

Non-Proprietary
PSEG Power LLC
(Salem and Hope Creek)
Internal Cash Flow Statement

PSEG Power LLC
Internal Cash Flow Statement
(Millions)

	2009 <u>Actual</u>
Net Income	\$ 1,189
Less: Dividends Paid	<u>940</u>
Subtotal	<u>249</u>
Adjustments:	
Depreciation and Amortization	203
Amortization of Nuclear Fuel	121
Deferred Income Taxes and Investment Tax Credits	133
Accretion on Asset Retirement Obligations	27
Net Realized Earnings on NDT Funds	(50)
Net Realized and Unrealized Gains on Energy Contracts	25
Employee Benefit Plan Funding in Excess of Non-Cash Costs	(38)
Interest Capitalized During Construction	<u>(58)</u>
Total Adjustments	<u>363</u>
Internal Cash Flow	\$ <u>612</u>
Average Quarterly Cash Flow	\$ <u>153</u>