



MAR 31 2011

LR-N11-0086

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

**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 funding estimate, pursuant to 10CFR §50.75(b) and (c).

<u>Plant</u>	<u>NRC Minimum Decommissioning Funding Requirements (PSEG Nuclear Share) (\$Thousands)</u>
Hope Creek	628,450
Salem Unit 1	276,730
Salem Unit 2	276,730
Peach Bottom Unit 2	314,225
Peach Bottom Unit 3	<u>314,225</u>
Total	1,810,361

2. Amount Accumulated as of December 31, 2010.

The amount accumulated in both Qualified and Non-Qualified Trusts on December 31, 2010, for each respective Unit, is disclosed in the following Table:

<u>Plant</u>	<u>NRC Minimum Decommissioning Funding Requirements (PSEG Nuclear Share) (\$Thousands)</u>
Hope Creek	399,298
Salem Unit 1	255,599
Salem Unit 2	234,780
Peach Bottom Unit 2	216,330
Peach Bottom Unit 3	<u>219,251</u>
Total	1,325,258

3. Annual amounts remaining to be collected as of December 31, 2010.

None¹

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.

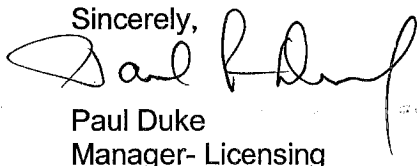
As of December 31, 2010, PSEG Nuclear has prepaid its nuclear decommissioning liability. The calculation is supported in Appendix A.

7. Any material changes to trust agreements.

None.

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

Sincerely,



Paul Duke
Manager- Licensing

Appendix A

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

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Rockville, MD 20852

USNRC Senior Resident Inspector – Salem (X24)

USNRC Senior Resident Inspector – Hope Creek (X24)

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APPENDIX A: Calculation of NRC Funding Requirements for Year 2010

PSEG NUCLEAR SHARE		Dollars in (000's)						
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, 2010	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	15.32	58.8	\$628,450,212	\$399,298,000	\$540,809,668	\$879,052,737	\$250,602,525
Salem Unit No. 1	August 13, 2016	5.63	49.1	\$276,730,331	\$255,599,000	\$285,764,425	\$447,387,521	\$170,657,190
Salem Unit No. 2	April 18, 2020	9.32	52.8	\$276,730,331	\$234,780,000	\$282,385,762	\$439,312,337	\$162,582,006
Peach Bottom Unit No. 2	August 8, 2033	22.67	66.2	\$314,225,106	\$216,330,000	\$338,880,131	\$603,185,968	\$288,960,862
Peach Bottom Unit No. 3	July 2, 2034	23.57	67.1	\$314,225,106	\$219,251,000	\$349,635,261	\$628,891,301	\$314,666,194
				<u>\$1,810,361,086</u>	<u>\$1,325,258,000</u>	<u>\$1,797,475,248</u>	<u>\$2,997,829,864</u>	<u>\$1,187,468,778</u>

note 1: Amounts represent PSEG Nuclear's share of funding and are in year 2010 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.

note 4: Calculations as of: December 31, 2010