PSEG Nuclear LLC
P.O. Box 236, Hancocks Bridge, NJ 08038-0236

PSEG
Nuclear LLC

10 CFR 140.21(e)

LR-N12-0092
March 29, 2012

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

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

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

Subject: Guarantees of Payment of Deferred Premiums

PSEG Nuclear LLC (PSEG) as the licensee of the Salem Generating Station Units 1 and 2 and the Hope Creek Generating Station, submits supporting documentation 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.

The 2011 PSEG Power LLC Consolidated Statement of Cash Flows is included as Attachment 1 to meet the requirement to provide evidence that a cash flow can be generated and would be available for payment of retrospective premiums. The 2011 PSEG Power LLC Consolidated Statement of Cash Flows is an annual certified financial statement extracted from the PSEG 2011 Annual Report / Form 10-K. The Form 10-K is publicly available on the internet at the following Uniform Resource Locator (URL):

http://investor.pseg.com/phoenix.zhtml?c=99807&p=IROL-reportsannual

There are no regulatory commitments contained in this submittal.

Sincerely,

Paul R. Duke, Jr.
Manager - Licensing

Attachment:
1. PSEG Power LLC Consolidated Statement of Cash Flows

cc: Mr. W. Dean, Administrator, Region I, NRC
Mr. R. Ennis, Project Manager, NRC
NRC Senior Resident Inspector, Salem
NRC Senior Resident Inspector, Hope Creek
Mr. P. Mulligan, Manager IV, NJBNE
Mr. L. Marabella, Corporate Commitment Tracking Coordinator
Mr. K. Yearwood, Hope Creek Commitment Tracking Coordinator
Mr. Thomas Cachaza, Salem Commitment Tracking Coordinator

Attachment 1

PSEG Power LLC
Consolidated Statements of Cash Flows

PSEG POWER LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
Millions

	For the Years Ended December 31,		
	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	$ 1,098	$ 1,143	$ 1,189
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:			
Gain on Disposal of Discontinued Operations	(122)	0	0
Depreciation and Amortization	231	194	203
Amortization of Nuclear Fuel	153	136	121
Provision for Deferred Income Taxes and ITC	231	650	133
Interest Accretion on Asset Retirement Obligation	18	18	27
Net Realized and Unrealized (Gains) Losses on Energy Contracts and Other Derivatives	(165)	50	25
Loss on Early Extinguishment of Debt	17	0	0
Non-Cash Employee Benefit Plan Costs	41	71	76
Net Realized (Gains) Losses and (Income) Expense from NDT Funds	(117)	(106)	(50)
Net Change in Certain Current Assets and Liabilities:			
Fuel, Materials and Supplies	(26)	135	97
Margin Deposit	49	(91)	(31)
Accounts Receivable	197	(105)	109
Accounts Payable	(154)	17	(115)
Accounts Receivable/Payable-Affiliated Companies, net	459	(386)	75
Other Current Assets and Liabilities	30	(66)	(27)
Employee Benefit Plan Funding and Related Payments	(129)	(132)	(114)
Other	1	38	(60)
Net Cash Provided By (Used In) Operating Activities	1,812	1,566	1,658
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to Property, Plant and Equipment	(757)	(825)	(869)
Settlement of Spent Nuclear Fuel Claim	0	16	47
Proceeds from Sale of Discontinued Operations	687	0	0
Proceeds from Sales of Available-for-Sale Securities	1,355	989	1,769
Investments in Available-for-Sale Securities	(1,380)	(1,013)	(1,798)
Short-Term Loan—Affiliated Company, net	(509)	(398)	55
Restricted Funds	0	2	115
Other	26	24	29
Net Cash Provided By (Used In) Investing Activities	(578)	(1,205)	(652)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of Recourse Long-Term Debt	544	594	209
Contributed Capital	0	0	230
Cash Dividend Paid	(500)	(549)	(940)
Redemption of Long-Term Debt	(1,250)	(248)	(294)
Redemption of Non-Recourse Long-Term Debt	0	0	(280)
Short-Term Loan—Affiliated Company, net	0	(194)	194
Cash Payment on Debt Redemption/Exchange	(17)	(13)	(101)
Other	(10)	(4)	0
Net Cash Provided By (Used In) Financing Activities	(1,233)	(414)	(982)
Net Increase (Decrease) in Cash and Cash Equivalents	1	(53)	24
Cash and Cash Equivalents at Beginning of Period	11	64	40
Cash and Cash Equivalents at End of Period	$ 12	$ 11	$ 64
Supplemental Disclosure of Cash Flow Information:			
Income Taxes Paid (Received)	$ 171	$ 539	$ 584
Interest Paid, Net of Amounts Capitalized	$ 176	$ 151	$ 160

See disclosures regarding PSEG Power LLC included in the Notes to Consolidated Financial Statements.