

PSEG Nuclear LLC

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



JUN 26 2013

LR-N13-0133

10 CFR 50.75

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

Subject: **Response to Request for Additional Information – 2013
Decommissioning Funding Status Report**

- References:
- (1) PSEG letter LR-N13-0059, NRC Decommissioning Funding Status Report, dated March 26, 2013
 - (2) NRC Letter to Mr. Thomas Joyce, Salem Nuclear Generating Station, Units 1 and 2 – Request for Additional Information Re: Decommissioning Funding Status Report (TAC Nos. MF1284 and MF1285), dated June 5, 2013

In Reference 1 PSEG Nuclear LLC (PSEG) submitted a status report of decommissioning funds, as required by 10 CFR 50.75(f)(1). In Reference 2 the NRC provided PSEG a Request for Additional Information (RAI) regarding the Reference 1 report. Attachment 1 to this submittal provides the responses to the RAI.

There are no commitments contained in this letter.

If you have any questions or require additional information, please do not hesitate to contact Ms. Emily Bauer at 856-339-1023.

Sincerely,

A handwritten signature in black ink that reads "Paul R. Duke, Jr." in a cursive style.

Paul R. Duke, Jr.
Licensing Manager

JUN 26 2013

LR-N13-0133

Page 2

10 CFR 50.75

Attachment 1 – Response to Request for Additional Information

cc: Mr. W. Dean, Administrator, Region I, NRC
Mr. J. Hughey, Project Manager, NRC
NRC Senior Resident Inspector, Salem
Mr. P. Mulligan, Manager IV, NJBNE
Mr. L. Marabella, Corporate Commitment Tracking Coordinator
Mr. T. Cachaza, Salem Commitment Tracking Coordinator

Response to Request for Additional Information

By letter dated March 26, 2013 (Agencywide Documents Access and Management System Accession No. ML 13085A284), PSEG submitted to the Nuclear Regulatory Commission (NRC) the 2013 Decommissioning Funding Status (DFS) report for Salem Nuclear Generating Station, Units 1 and 2 (Salem 1 and Salem 2) as required under 10 CFR 50.75(f)(1).

RAI 1: Reporting Requirements

Per 10 CFR 50.75(f)(1), licensees must identify “the amount accumulated to the end of the calendar year preceding the date of the report.” This actual amount is dedicated for NRC decommissioning activities as defined in 10 CFR 50.2.

Indicate what portion of the accumulated fund balances are for radiological decommissioning activities only. Specify if any of the \$293,004,000 for Salem 1 and \$267,875,000 for Salem 2 is for non-radiological decommissioning costs such as spent fuel management or other non-radiological decommissioning activities.

PSEG Response to RAI 1:

Pursuant to the PSEG Nuclear LLC Master Trust Agreement executed in August of 2000, Article 2.02 stipulates that the trust fund assets shall be limited to expenses related to decommissioning of the Plants [either Hope Creek, Salem Unit 1 and 2, or Peach Bottom Unit 2 and 3] as defined by the NRC in its regulations and issuances, and as provided in the units’ licenses and any amendments thereto. Upon completion of decommissioning, the assets may then be used for any purpose authorized by law. Therefore, the fund must be used exclusively for NRC decommissioning needs before funding non-radiological decommissioning activities.

RAI 2: Amounts Accumulated

On March 26, 2013, PSEG Nuclear LLC reported the amounts of decommissioning funds accumulated as of December 31, 2012, for the Salem Generating Station, Units 1 and 2, but did not indicate if the amounts stated were the before or after-tax balances.

The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report.

Indicate if the amount of decommissioning funds identified in the March 26, 2013, submittals of PSEG Nuclear LLC DFS report are for the after-tax amounts of decommissioning funds accumulated through December 31, 2012. If not, please provide the after-tax amounts of decommissioning funds accumulated through December 31, 2012, for both Salem 1 and Salem 2.

PSEG Response to RAI 2:

The table below provides the after-tax market values for the trust as of December 31, 2012.

<i>Plant</i>	<i>After-tax amount of funds accumulated through December 31, 2012 (\$ Thousands)</i>
Salem Unit 1	288,471
Salem Unit 2	262,897

The after-tax values were developed by applying a 20% federal tax rate on the qualified unrealized gain position as of December 2012. No adjustment was made to the non-qualified component of the trust as all tax payments are made by the Company and not the trust.