

PSEG Nuclear LLC
P.O. Box 236, Hancock's Bridge, NJ 08038-0236



10 CFR 50.75

LR-N15-0047
March 31, 2015

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

Peach Bottom Atomic Power Station, Units 2 and 3
Renewed Facility Operating License Nos. DPR-44 and DPR-56
NRC Docket Nos. 50-277 and 50-278

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

Subject: **NRC Decommissioning Funding Status Report**

In accordance with 10 CFR 50.75(f)(1), PSEG Nuclear LLC (PSEG) hereby submits the status report of the decommissioning funds for the subject facilities.

1. *The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c).*

<u>Plant</u>	<u>NRC Minimum Decommissioning Funding Requirements (PSEG Nuclear Share)</u>
Hope Creek	\$ 883,258,660
Salem Unit 1	\$ 331,955,611
Salem Unit 2	\$ 339,515,906
Peach Bottom Unit 2	\$ 369,882,255
Peach Bottom Unit 3	\$ 388,094,725

Additional information is provided in Attachment 1.

- The amount of decommissioning funds accumulated to the end of the calendar year preceding the date of the report (i.e.; December 31, 2014).*

The amount accumulated in both Qualified and Non-Qualified Trusts on December 31, 2014, for each respective Unit, is disclosed in the following table.

<u>Plant</u>	<u>Decommissioning Fund Balance: 12/31/2014 (PSEG Nuclear Share)</u>
Hope Creek	\$ 519,995,720
Salem Unit 1	\$ 356,575,125
Salem Unit 2	\$ 315,278,467
Peach Bottom Unit 2	\$ 297,767,350
Peach Bottom Unit 3	\$ 298,542,283

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 the 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.

- A schedule of the annual amounts remaining to be collected.*

None required. Projected Value of External Fund at End Of License (EOL) exceeds decommissioning funding requirements. See Attachment 1.

- The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.*

For the purposes 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 10 CFR 50.75(e)(1)(ii), satisfy the NRC's minimum funding assurance requirements.

Values reported for Minimum Decommissioning Funding Requirements (item 1, above) are derived from 2012 site specific estimates, inflated at 3% per year for each of years 2013 and 2014.

5. *Any contracts upon which the licensee is relying pursuant to paragraph (e)(1)(v) of this section (i.e.; 10 CFR 50.75).*

PSEG is not relying upon contracts in this regard.

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

PSEG has made no modification to the method of providing financial assurance since the last report.

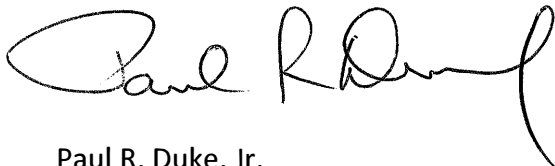
7. *Any material changes to trust agreements.*

None.

There are no commitments contained in this letter.

If you have any questions or require additional information, please do not hesitate to contact Mr. Gary Wohler at 856-339-5020.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul R. Duke, Jr.", with a large, stylized flourish at the end.

Paul R. Duke, Jr.
Licensing Manager

Attachment 1 – NRC Funding Requirements for the Period up to December 31, 2014

cc: Mr. D. Dorman, Administrator, Region I, NRC
Ms. C. Sanders-Parker, 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. T. Cachaza, Salem Commitment Tracking Coordinator
Mr. T. MacEwan, Hope Creek Commitment Tracking Coordinator

Attachment 1

Calculation of NRC Funding Requirements
For the Period up to 12/31/2014

Calculation of NRC Funding Requirements for the Period up to 12/31/2014

LR-N15-0047
Attachment 1

PSEG NUCLEAR SHARE							
Station and Unit	Expiration of Operating License (EOL)	Years Remaining to EOL	Decommissioning Funding Requirements IAW 10CFR50.75(c) (note 1)	Decommissioning Funding Requirements Site Specific Estimate (note 1, 2)	Fair Market Value of External Fund as of Dec. 31, 2014	Projected Value of External Fund at EOL (note 3)	Projected Surplus / (Shortfall) at EOL
Hope Creek Unit No. 1	April 11, 2046	31.28	\$693,640,091	\$883,258,660	\$519,995,720	\$966,026,688	\$82,768,028
Salem Unit No. 1	August 13, 2036	21.62	\$305,823,249	\$331,955,611	\$356,575,125	\$547,104,336	\$215,148,725
Salem Unit No. 2	April 18, 2040	25.30	\$305,823,249	\$339,515,906	\$315,278,467	\$520,306,475	\$180,790,569
Peach Bottom Unit No. 2	August 8, 2033	18.60	\$346,820,046	\$369,882,255	\$297,767,350	\$430,399,797	\$60,517,542
Peach Bottom Unit No. 3	July 2, 2034	19.50	\$346,820,046	\$388,094,725	\$298,542,283	\$439,262,284	\$51,167,559

note 1: Amounts represent PSEG Nuclear's share of funding in year 2014 dollars. Per 50.75(f)(1) the higher of the formula amount 50.75(c) or site specific estimate is used as the NRC Minimum Decommissioning Requirement.

note 2: Values originate in site-specific estimates from 2012, inflated at 3% / year through 2014.

note 3: Projected value of fund escalated at 2% annual real rate of return per 10CFR50.75(e)(ii) until license expiration.

Calculations as of: December 31, 2014