



MAR 24 2017

10 CFR 140.21(e)

LR-N17-0042

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 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).

The 2016 PSEG Power LLC Consolidated Statements 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 2016 PSEG Power LLC Consolidated Statements of Cash Flows is a certified financial statement extracted from the PSEG 2016 Annual Report / Form 10-K. The Form 10-K is publicly available on the internet at the following Uniform Resource Locator (URL):

<https://www.sec.gov/Archives/edgar/data/81033/000078878417000003/pseg201610kq4.htm>

There are no regulatory commitments contained in this submittal. If you have any questions or require additional information, please contact Ms. Tanya Timberman at 856-339-1426.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Mannai", with a long horizontal line extending to the right.

David J. Mannai
Senior Director, Regulatory Operations

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Attachment 1 - PSEG Power LLC Consolidated Statements of Cash Flows

cc: Mr. D. Dorman, Administrator, Region I, NRC
Ms. C. Parker, Project Manager, NRC
NRC Senior Resident Inspector, Salem
NRC Senior Resident Inspector, Hope Creek
Mr. P. Mulligan, Chief, NJBNE
Corporate Commitment Tracking Coordinator
Hope Creek Commitment Tracking Coordinator
Salem Commitment Tracking Coordinator

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Attachment 1

**PSEG Power LLC
Consolidated Statements of Cash Flows**

PSEG POWER LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
Millions

	Years Ended December 31,		
	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	\$ 18	\$ 856	\$ 760
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:			
Depreciation and Amortization	881	291	292
Amortization of Nuclear Fuel	203	213	200
Provision for Deferred Income Taxes and ITC	(208)	261	221
Interest Accretion on Asset Retirement Obligation	26	26	30
Net Realized and Unrealized (Gains) Losses on Energy Contracts and Other Derivatives	183	(143)	(93)
Renewable Energy Credit (REC) Compliance Accrual	109	104	69
Impairment Costs for Early Plant Retirements	102	—	—
Non-Cash Employee Benefit Plan Costs	39	48	13
Net Realized (Gains) Losses and (Income) Expense from NDT Fund	(26)	(38)	(166)
Net Change in Certain Current Assets and Liabilities:			
Fuel, Materials and Supplies	31	62	19
Margin Deposit	(76)	122	(22)
Accounts Receivable	(71)	63	(15)
Accounts Payable	(22)	(46)	(59)
Accounts Receivable/Payable-Affiliated Companies, net	6	(84)	220
Other Current Assets and Liabilities	10	(36)	(6)
Employee Benefit Plan Funding and Related Payments	(13)	(11)	(7)
Other	63	18	(31)
Net Cash Provided By (Used In) Operating Activities	<u>1,255</u>	<u>1,706</u>	<u>1,425</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to Property, Plant and Equipment	(1,343)	(1,117)	(626)
Purchase of Emissions Allowances and RECs	(99)	(106)	(101)
Proceeds from Sales of Available-for-Sale Securities	739	1,422	1,557
Investments in Available-for-Sale Securities	(766)	(1,455)	(1,573)
Short-Term Loan—Affiliated Company, net	276	221	206
Other	46	34	13
Net Cash Provided By (Used In) Investing Activities	<u>(1,147)</u>	<u>(1,001)</u>	<u>(524)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of Long-Term Debt	700	—	—
Cash Dividend Paid	(250)	(400)	(895)
Redemption of Long-Term Debt	(553)	(300)	—
Other	(6)	(2)	(3)
Net Cash Provided By (Used In) Financing Activities	<u>(109)</u>	<u>(702)</u>	<u>(898)</u>

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Net Increase (Decrease) in Cash and Cash Equivalents	(1)	3	3
Cash and Cash Equivalents at Beginning of Period	12	9	6
Cash and Cash Equivalents at End of Period	<u>\$ 11</u>	<u>\$ 12</u>	<u>\$ 9</u>
Supplemental Disclosure of Cash Flow Information:			
Income Taxes Paid (Received)	\$ 50	\$ 393	\$ 68
Interest Paid, Net of Amounts Capitalized	\$ 81	\$ 116	\$ 119
Accrued Property, Plant and Equipment Expenditures	\$ 244	\$ 114	\$ 91

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