



LR-N19-0031

10 CFR 140.21(e)

**MAR 26 2019**

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

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

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

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 2018 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 2018 PSEG Power LLC Consolidated Statements of Cash Flows is a certified financial statement extracted from the PSEG 2018 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/81033/000078878419000005/pseg201810k.htm>

There are no regulatory commitments contained in this submittal. If you have any questions or require additional information, please contact Mr. Michael Wiwel at 856-339-7907.

Respectfully,

A handwritten signature in black ink, appearing to read "Paul R. Duke, Jr.", written in a cursive style.

Paul R. Duke, Jr.  
Manager – Licensing

Attachment 1 - PSEG Power LLC Consolidated Statements of Cash Flows

cc: Mr. D. Lew, Administrator, Region I, NRC  
Mr. J. Kim, Project Manager, NRC  
NRC Senior Resident Inspector, Hope Creek  
NRC Senior Resident Inspector, Salem  
Mr. P. Mulligan, Chief, NJBNE  
PSEG Corporate Commitment Tracking Coordinator  
Hope Creek Commitment Tracking Coordinator  
Salem Commitment Tracking Coordinator

**LR-N19-0031**

**Attachment 1**

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

**PSEG POWER LLC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Millions**

	Years Ended December 31,		
	2018	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Income	\$ 365	\$ 479	\$ 18
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:			
Depreciation and Amortization	354	1,268	881
Amortization of Nuclear Fuel	187	199	203
Provision for Deferred Income Taxes and ITC	206	(807)	(208)
Interest Accretion on Asset Retirement Obligation	41	30	26
Net Realized and Unrealized (Gains) Losses on Energy Contracts and Other Derivatives	116	188	183
Emission Allowances and Renewable Energy Credit (REC) Compliance Accrual	97	103	109
Impairment Costs for Early Plant Retirements	—	—	102
Non-Cash Employee Benefit Plan Costs	23	28	39
Gain on Sale of Hudson and Mercer Units	(54)	—	—
Net (Gains) Losses and (Income) Expense from NDT Fund	98	(156)	(26)
Net Change in Certain Current Assets and Liabilities			
Fuel, Materials and Supplies	(39)	42	31
Margin Deposit	(247)	(90)	(76)
Accounts Receivable	51	(45)	(71)
Accounts Payable	(13)	39	(22)
Accounts Receivable/Payable—Affiliated Companies, net	(56)	(2)	6
Other Current Assets and Liabilities	(40)	10	10
Employee Benefit Plan Funding and Related Payments	(9)	(7)	(13)
Other	4	47	63
Net Cash Provided By (Used In) Operating Activities	<u>1,084</u>	<u>1,326</u>	<u>1,255</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to Property, Plant and Equipment	(996)	(1,231)	(1,343)
Purchase of Emissions Allowances and RECs	(146)	(117)	(99)
Proceeds from Sales of Trust Investments	1,423	2,182	739
Purchases of Trust Investments	(1,392)	(2,199)	(766)
Short-Term Loan—Affiliated Company	—	87	276
Other	60	46	46
Net Cash Provided By (Used In) Investing Activities	<u>(1,051)</u>	<u>(1,232)</u>	<u>(1,147)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of Long-Term Debt	700	—	700
Cash Dividend Paid	(400)	(350)	(250)
Redemption of Long-Term Debt	(250)	—	(553)
Short-Term Loan—Affiliated Company	(88)	281	—
Other	(5)	(4)	(6)
Net Cash Provided By (Used In) Financing Activities	<u>(43)</u>	<u>(73)</u>	<u>(109)</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(10)	21	(1)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	32	11	12
Cash, Cash Equivalents and Restricted Cash at End of Period	<u>\$ 22</u>	<u>\$ 32</u>	<u>\$ 11</u>
Supplemental Disclosure of Cash Flow Information:			
Income Taxes Paid (Received)	\$ (92)	\$ 77	\$ 50
Interest Paid, Net of Amounts Capitalized	\$ 73	\$ 48	\$ 81
Accrued Property, Plant and Equipment Expenditures	\$ 167	\$ 293	\$ 244