

PSEG Nuclear LLC
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LR-N18-0114

OCT 19 2018

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

Salem Generating Station (SGS) Units 1 & 2
Renewed Facility Operating License Nos. DPR-70 & DPR 75
NRC Docket Nos. 50-272 & 50-311

Hope Creek Generating Station (HCGS) UNIT 1
Renewed Facility Operating License No. NPF-57
NRC Docket No. 50-354

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

Subject: Notice of Past Disbursement from Decommissioning Trusts

Reference: James F. Mahoney, Jr., The Bank of New York Mellon, letter to U. S. Nuclear Regulatory Commission "Pre-Notice of Disbursement from Decommissioning Trusts" dated October 17, 2018

This letter provides the Director of the Office of Nuclear Reactor Regulation written notification that the trustee, The Bank of New York Mellon ("Trustee") of the PSEG Power LLC Master Decommissioning Trust Agreement for Hope Creek Generating Station, Salem Nuclear Generating Station and Peach Bottom Atomic Power Station ("Trust") has made disbursements from the Trust, as specified in the table below.

In accordance with the applicable Renewed Facility Operating Licenses, the Trust provides that "except for payments of expenses of administration pursuant to Section 4.02, no disbursements or payments from the trust shall be made by the Trustee until the Trustee has first given the NRC 30 days notice of the payment." In addition, the Trust provides that "no disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation during such 30 day notice period."

Recently, PSEG became aware that the development costs for three Decommissioning Cost Estimates (DCEs) completed in 2001, 2012 and 2015 were paid from the Trust, however, PSEG inadvertently directed the Trustee to make these payments without first giving the NRC 30 days' prior notice.

PSEG reviewed this situation and now has safeguards in place to avoid future omissions. By way of example, the Reference 1 letter documents PSEG's 30 days' advanced notice to the NRC of PSEG's intent to make disbursements from the Trust for upcoming DCE and decommissioning planning related costs. This referenced notice shows that PSEG has implemented a process to give the NRC prior notice of payments from the Trust and, as such, the unintentional failure to issue notice will not happen again in the future.

The below table illustrates the past amounts paid from the Trust for these related DCE development costs by unit. PSEG has confirmed that these payments were for legitimate decommissioning planning expenses.

| Unit | Decommissioning Costs (Planning) |
|---------------------|-------------------------------------|
| Salem Unit 1 | \$145,548.34 |
| Salem Unit 2 | \$145,548.34 |
| Hope Creek | \$240,449.04 |
| Peach Bottom Unit 2 | \$145,548.34 |
| Peach Bottom Unit 3 | \$145,548.34 |

If you have any questions about this letter or require additional information, please contact Michael Wiwel at 856-339-7907. Alternatively, additional information or clarification can be provided by the Trust by contacting James Mahoney at 617-382-9623.

Respectfully,



David Mannai
Senior Director Operations and Nuclear Oversight
PSEG Nuclear

cc: U.S. Nuclear Regulatory Commission
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Washington, DC 20555-0001

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