

PSEG Nuclear, LLC
ZEC 2 – Salem II
Docket No: ER20080558

Response to Discovery Request: SII-IUD-0003
Date: 10/1/2020

Question:

Estimate the costs that would be incurred by the applicant to shut down the Unit. What costs would be funded by the Unit's decommissioning funds, and what costs would be funded by the applicant?

Attachments Provided Herewith: YES - CONFIDENTIAL

Response:

Please see attached for the following:

1. Costs and non-cash impairments/charges the company would incur between the shutdown announcement and the shutdown date. See attached confidential spreadsheet.
 - a. Costs prior to shutdown are expected to be funded by PSEG Nuclear.
2. Costs estimated to decommission the plant. See attached confidential cost studies that present estimates of the cost to decommission the unit(s) following the scheduled and permanent cessation of plant operations at the end of its NRC license period, and under an early shutdown scenario.
 - a. Radiological decommissioning activities are expected to be fully funded by the Nuclear Decommissioning Trust (NDT). Funding for spent fuel management costs is expected from the settlement agreement between PSEG Nuclear and the Department of Energy (DOE), under which the U.S. Government has agreed to reimburse PSEG Nuclear for costs incurred that are attributable to DOE's failure to meet its contractual obligations to transfer spent fuel from the site. An additional source of funding to pay for spent fuel management costs is the anticipated use of excess NDT funds, to the extent the NDT balance exceeds the estimated costs to complete radiological decommissioning. Under the current NRC regulations PSEG Nuclear would need to apply for and be granted specific exemptions from the NRC for that purpose. Similarly, excess NDT funds are an anticipated source of funding for site restoration activities.