

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

Response to Discovery Request: SII-ZECJ-FIN-0024
Date: 10/1/2020

Question:

Provide projected earnings over the next five (5) years and explain assumptions used in the projection, including regarding taxes, depreciation, interest, and any other relevant values.

Attachments Provided Herewith: YES - CONFIDENTIAL AND NON-CONFIDENTIAL

Response:

In response to question ZECJ-FIN-0024, please find attached the requested forecast information for each of the next five (5) years covering 2021 to 2025.

PSEG Nuclear LLC (PSEG Nuclear) does not maintain its US GAAP financial statements on an individual plant basis. Further, PSEG Nuclear's financial statements are maintained in accordance with a FERC-approved contract, which specifies that all energy generated by our nuclear units is sold to its affiliate, PSEG Energy & Resources LLC, under a tariff rate designed to reflect the actual fixed and variable operating costs of production at the plant. Also, allocations of corporate overheads and interest expense attributable to the units are recorded at the PSEG Power LLC level rather than being pushed down on a unit by unit basis. Accordingly, to be responsive to this question, it was necessary to create *pro forma* income statements for individual nuclear plants.

Further detail is included in the confidential attachment.

Responses to questions regarding actual or forecasted revenues do not include actual or forecasted ZEC payments for the first eligibility period or any future periods that have not yet been awarded.