

RS-19-009

January 15, 2019

U.S. Nuclear Regulatory Commission
Director, Office of Nuclear Reactor Regulation
ATTN: Document Control Desk
Washington, DC 20555-0001

Subject: Notice of Disbursement from Non-Tax Qualified Decommissioning Trusts maintained for Exelon Generation Company, LLC's Zion Unit 1 and Unit 2

- References:
- 1) Letter from Thomas O'Neill (Exelon Generation Company, LLC) and John Christian (Zion Solutions, LLC), to U.S. NRC, "Application for License Transfers and Conforming Administrative License Amendments," dated January 25, 2008
 - 2) Letter from Patrick R. Simpson (EGC) to U.S. Nuclear Regulatory Commission, "Independent Spent Fuel Storage Installation (ISFSI) Decommissioning Funding Plan for Zion," dated October 17, 2016

The purpose of this letter is to provide notice of the disbursement of funds from the Non-Tax Qualified Decommissioning Trust Funds maintained for Exelon Generation Company, LLC (EGC) for its Zion Unit 1 and Unit 2. The Master Terms for Trust Agreements Applicable to Second Amended and Restated Nonqualified Nuclear Decommissioning Master Trust Agreement, dated as of July 1, 2013, among Exelon Generation Consolidation, LLC (successor to the NQF Companies identified therein) and The Northern Trust Company, as Trustee, as amended by Amendment No. 1, dated November 23, 2018 (the "Master Terms"), require that Exelon Generation Consolidation, LLC or its designee, EGC, provide thirty (30) working days written notice to the NRC, Director of the Office of Nuclear Reactor Regulation, prior to the disbursement of any funds from the decommissioning trust funds to reimburse EGC for Decommissioning Costs. The Master Terms further provide that no reimbursements from the trust funds will be made for any costs for which the Trustee, Northern Trust, receives written notice of objection from the NRC Director Office of Nuclear Reactor Regulation within the thirty (30) working day review period or prior to disbursement. Any such notice of objection should be directed to EGC and to the Northern Trust addressed to Stacy Ryband, Vice President, 50 South LaSalle Street, M-28, Chicago, Illinois (sr90@ntrs.com). Northern Trust will not make any disbursements from the funds until after thirty (30) working days from the date of this written notice to the NRC. Furthermore, Northern Trust will not make any disbursements for any Decommissioning Costs to which the NRC objects within the 30 working day period or prior to disbursement. Barring any objection from the NRC, EGC will request that Northern Trust make the disbursements noted below for Decommissioning Costs.

The disbursements from the trust funds will reimburse EGC for Decommissioning Costs it incurred in 2017 for decommissioning planning to obtain cost estimates for decommissioning

the ISFSI. The amount of Decommissioning Costs to be disbursed from each unit trust fund is specified in the table that appears below.

Unit	Decommissioning Costs Planning
Zion Unit 1	\$17,903.77
Zion Unit 2	\$17,903.77
Total Disbursement Request	\$35,807.54

Even though the Decommissioning Costs for which EGC seeks reimbursement were incurred while *ZionSolutions* is the licensee for Zion Station, the expenses are legitimate Decommissioning Costs and can be reimbursed from the Zion Unit 1 and Unit 2 Non-Tax Qualified Decommissioning Trust Funds held for EGC for spent fuel management and ISFSI decommissioning. As explained in the License Transfer Application (Reference 1), *ZionSolutions* assumed responsibility for decommissioning Zion Station, including construction of an ISFSI and transfer of the spent fuel to the ISFSI. Following completion of its decommissioning activities, *ZionSolutions* will take such actions as are required to transfer the license to EGC. As part of the transaction, EGC retained \$25 million and segregated that amount in the Zion Units 1 and 2 Non-Tax Qualified Decommissioning Trust Funds "for the purpose of funding the maintenance and decommissioning of the ISFSI" and other potential activities following transfer of the Licenses to EGC. The NRC approved the license transfer application on May 4, 2009. The expenses for which EGC seeks reimbursement are associated with decommissioning of the ISFSI.

To the extent the trust funds for Zion are to be used for maintenance and decommissioning of the ISFSI, only a portion of the Zion decommissioning trust funds are reserved for funding the ISFSI decommissioning (Reference 2). After reimbursement of these costs from the trust funds, sufficient funds remain to provide funding assurance for decommissioning the ISFSI per 10 CFR 72.30.

If you have any questions about this letter, please contact me at (630) 657-2823.

Respectfully,



Patrick R. Simpson
Manager - Licensing

cc: NRC Document Control Desk
Zahira Cruz, NRC Project Manager (via email at zahira.cruz@nrc.gov)
Marc Dapas, NRC Director NMSS (via email at marc.dapas@nrc.gov)