



February 14, 2000

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

Zion Nuclear Power Station, Units 1 and 2
Facility Operating License Nos. DPR-39 and DPR-48
NRC Docket Nos. 50-295 and 50-304

Subject: Submittal of the Zion Nuclear Power Station Site-Specific
Decommissioning Cost Estimate

Reference: Commonwealth Edison Company letter, "Certification of Permanent
Cessation of Operations," dated February 13, 1998

In accordance with 10 CFR 50.82, "Termination of license," paragraph (a)(8)(iii), we are submitting the site-specific decommissioning cost estimate for Zion Nuclear Power Station (ZNPS), Units 1 and 2. As certified by the Reference letter, the permanent cessation of operations at ZNPS occurred on February 13, 1998. 10 CFR 50.82(a)(8)(iii) requires that a site-specific decommissioning cost estimate be submitted within two years following the permanent cessation of operations. Therefore, the site-specific decommissioning cost estimate for ZNPS is required to be submitted by February 14, 2000.

In accordance with 10 CFR 50.82(a)(8)(iii), the Attachment, "Zion Nuclear Power Station Units 1 and 2 Site-Specific Decommissioning Cost Estimate," provides the site-specific decommissioning cost estimate. In February 1999, a site-specific study was completed by TLG Services, Inc. which estimated the costs of decommissioning ZNPS.

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The total estimated cost to complete decommissioning of ZNPS is approximately \$904 million in 1996 dollars. The total estimated cost includes approximately \$180 million for storage of spent fuel and greater-than-class C waste on the ZNPS site until the year 2025, but excludes costs related to non-storage related crane upgrades and spent fuel packaging/loading. The total estimated cost does not include any costs associated with site restoration.

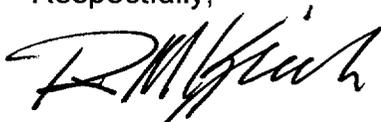
Funding for decommissioning ZNPS is provided by an external trust. Because of the premature shutdown of ZNPS, funds for the decommissioning of ZNPS will continue to be collected throughout the remainder of the original operating license period (i.e., the year 2013). The funding assurance mechanism being used as the source of revenues for the external sinking funds is traditional "cost-of-service" ratemaking.

Means do exist to adjust the decommissioning cost estimate and associated funding levels over the duration of the planned decommissioning period to ensure that the appropriate amount of funding is available to terminate the licenses for ZNPS. The rate of escalation assumed in decommissioning costs and the rate of earnings assumed on the tax qualified and the non-tax qualified decommissioning funds is periodically adjusted. A request for a needed change to the collection of decommissioning funds is made via a petition to the Illinois Commerce Commission for an adjustment to a special-purpose decommissioning expense rider (i.e., Rider 31). The status of the ZNPS decommissioning funding is reported periodically to the NRC in accordance with 10 CFR 50.75(f)(1), "Reporting and recordkeeping for decommissioning planning."

The ZNPS site-specific decommissioning cost estimate will be updated and funding adjusted, as necessary, in accordance with 10 CFR 50.82(a)(8)(iv).

If you have any questions about this letter, please contact Mr. P. R. Simpson at (630) 663-7971.

Respectfully,



R. M. Krich
Vice President – Regulatory Services

Attachment

cc: Regional Administrator – NRC Region III