

RS-08-130

September 25, 2008

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:** Update to Application for License Transfers and Conforming  
Administrative License Amendments

**Reference:** Letter from T. S. O'Neill (Exelon Generation Company) and J. Christian  
(ZionSolutions) to NRC, "Application for License Transfers and  
Conforming Administrative License Amendments," dated January 25,  
2008

This letter provides supplemental information in support of the NRC approval requested in the referenced License Transfer Application (LTA). That application requested NRC approval of the proposed transfers of the Zion licenses from Exelon Generation Company, LLC to ZionSolutions, LLC. Additional information is being provided which pertains to the corporate structure and management of ZionSolutions, LLC. These revisions do not constitute a substantive change to the application.

At the time the LTA was submitted, EnergySolutions, Inc., which indirectly owns and controls ZionSolutions, LLC, was a publicly traded company. Approximately 40% of the stock of EnergySolutions, Inc. was owned by the public as a result of an initial public offering conducted in 2007, but the majority of its stock was owned and controlled by ENV Holdings LLC (ENV). In turn, a majority of ENV was owned and controlled by LGB ENV LLC (LGB). As such, the application provided general corporate information regarding ENV and LGB, because these privately controlled entities would have indirect control of ZionSolutions, LLC and the Zion licenses after the propose transfer. As the result of further public offerings conducted in July and August of 2008, neither ENV nor LGB retains any controlling interest in EnergySolutions, Inc. This did not involve any required NRC approvals, because the indirect control previously exercised by ENV and LGB was simply surrendered to the public. No new entity has acquired any direct or indirect control of the existing or proposed licenses held by EnergySolutions, Inc. and its subsidiaries.

In an effort to enhance management and oversight of EnergySolutions, LLC projects at commercial facilities, EnergySolutions, LLC has created the new executive position of

Chief Operating Officer (COO), and As such, Ken Powers will serve as the COO of *ZionSolutions*, LLC reporting directly to the President of *ZionSolutions*, LLC. This new management structure revises the reporting relationships previously described on pages 6-8 of the LTA and the organization chart provided in Enclosure 2.

The attachment to this letter provides revised pages for Attachment 1 and Enclosures 2, 3, 4, and 5 which were included with the referenced License Transfer Application. Instructions for deleting and adding pages to that document are provided. The revisions are summarized below:

Attachment 1. The Technical Qualifications description in Section 5 has been revised to reflect the new position of Chief Operating Officer which is held by Ken Powers.

Enclosure 2. The Corporate Structure Chart for *ZionSolutions* has been revised to reflect the new position of Chief Operating Officer.

Enclosure 3. The *ZionSolutions*, LLC Ownership Chart has been revised to reflect new corporate ownership associated with the sales of shares of *EnergySolutions*, Inc. to the public.

Enclosure 4. The lists of Managers and Officers for *ZionSolutions*, LLC and *EnergySolutions*, LLC, and *EnergySolutions*, Inc. have been revised to reflect changes. The tables for ENV holdings LLC and LGB ENV LLC are deleted, because these entities no longer exercise direct or indirect control over *ZionSolutions*, LLC or its parent companies.

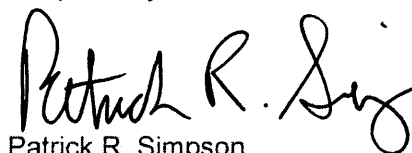
Enclosure 5. The resume of Ken Powers, COO is being added.

As with the original application, a copy of this letter is being provided to the State of Illinois in accordance with the requirements of 10 CFR 50.91(b)(1).

If you have any questions about this letter, please contact Patrick Simpson at (630) 657-2823 or Tom Tramm at (847) 379-2725.

I declare under penalty of perjury that the foregoing is true and correct. Executed on the 25<sup>th</sup> day of September 2008.

Respectfully,



Patrick R. Simpson  
Manager – Licensing  
Exelon Generation Company



Patrick Daly  
Senior VP and General Manager  
*ZionSolutions*, LLC

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Enclosure: Updates to January 25, 2008 License Transfer Application

cc: Regional Administrator, Region III, US NRC  
Office of Environmental Safety, Illinois Emergency Management Agency

## ENCLOSURE

### Updates to January 25, 2008 License Transfer Application

#### Instructions

#### **Attachment 1**

- Delete: Pages 7 and 8 (undated)
- Replace with: Pages 7 and 8 dated September 2008

#### **Enclosure 2**

- Delete: Organization chart labeled “Zion*Solutions*, LLC; Restoration Project; December 2007”
- Replace with: Organization chart labeled “Zion*Solutions*, LLC; Restoration Project; September 2008”

#### **Enclosure 3**

- Delete: Diagram labeled “ Zion *Solutions*, LLC Ownership Chart; (*EnergySolutions*, LLC)”
- Replace with: Diagram labeled “ Zion*Solutions*, LLC Ownership Chart; (*EnergySolutions*, LLC)” dated September 2008

#### **Enclosure 4**

- Delete: Pages 1 through 5 containing general corporate information for Zion*Solutions*, LLC, *EnergySolutions*, LLC (Utah), *EnergySolutions*, LLC (Delaware), ENV Holdings LLC and LGB ENV LLC
- Replace with: Pages 1 through 3 dated September 2008 containing general corporate information for Zion*Solutions*, LLC, *EnergySolutions*, LLC (Utah) and *EnergySolutions*, LLC (Delaware)

#### **Enclosure 5**

- Insert: Resume labeled “Ken Powers - Chief Operating Officer” after the resume labeled “John A. Christian – President, Commercial Services Group”

sludge treatment and high level waste treatment; and major decommissioning of both government and commercial nuclear facilities. EnergySolutions has demonstrated the ability to achieve and sustain performance improvement in nuclear decommissioning operations, transportation and disposal and to operate its facilities reliably and safely.

EnergySolutions's decommissioning experience includes the completion of one of the world's largest D&D projects to date, the Three Building Gaseous Diffusion D&D project in Oak Ridge. The project involved the removal of all process equipment, dismantlement of all enrichment converters and disposal of all materials. It involved 11,000 heavy lifts without incident. EnergySolutions also was responsible for the major component removal, waste disposal, and dry fuel cask systems for Big Rock Station. The company provides services at most commercial nuclear stations, including waste management and liquid waste processing.

EnergySolutions is uniquely qualified to ship large volumes of waste with experience using specially built gondola rail cars and large capacity trucks. Gondola rail cars were instrumental in improving the schedule resulting in the early closure of the Rocky Flats and Fernald restoration projects and likely will be used at ZNPS also. In addition, EnergySolutions owns and operates the Clive low level disposal facility and is the operator for the State of South Carolina of the Barnwell disposal facility.

This broad range of experiences and capabilities enables EnergySolutions to be uniquely qualified to accomplish the decommissioning of the ZNPS.

#### A. Nuclear Organization

When the proposed transfers become effective, ZS will assume responsibility for and control over the operation of the ZNPS. Nuclear employees of Exelon at the ZNPS will be available to ZS under the Leased Personnel Agreement, the form of which is attached as Exhibit J to the ASA provided as Enclosure 1. If needed, interim contracts may be entered into with Exelon for corporate support functions such as emergency preparedness, quality assurance ("QA"), training and security. Employees and contractors will not be employed without being qualified for their positions. ZS will, during a brief transition period, adopt the existing QA, emergency preparedness, training, and security procedures and establish these functions at the ZNPS using project personnel. The ZNPS management organizations will be integrated into the ZS project organization, reporting to ZS's Vice President and General Manager. Once the organization is complete, ZS's nuclear organization will report to the Chief Operating Officer who reports directly to the President of Commercial Services for EnergySolutions. Patrick Daly, the Senior Vice President and General Manager, and Thomas Magette, the Chairperson of the Restoration Project Review and Advisory Board, will report to the President through the Chief Operating Officer. The President of ZS will continue to provide corporate accountability and oversight of the project. He remains responsible for the Zion Restoration Project.

An organization chart illustrating ZS's organization is contained in Enclosure 2 to this application. The organization for the Zion Restoration Project will provide:

- (1) A single Vice President and General Manager accountable for overall management, leadership, performance, nuclear safety, QA, and employee safety.
- (2) Several Managers, directly reporting to the General Manager, with responsibilities for radiological safety, industrial health and safety, project administration and financial services, training, labor relations, fuel storage, regulatory affairs, quality assurance, licensing, environmental, decontamination and decommissioning, engineering and operations, waste operations, and project controls. This organization will provide a nuclear management team with control over the decontamination and decommissioning operations.
- (3) Implementation of industry high standards, best practices, effective programs and processes, and management controls.

(4) Effective and integrated oversight and technical support functions.

The Zion Restoration Project organization will provide an experienced nuclear management team to assure compliance with the requirements of the Licenses and the Commission regulations. ZS will implement a management approach to assure efficient and effective decontamination and decommissioning planning, preparation, and execution; a safety conscious work environment; day-to-day industrial safety, radiological protection, radioactive waste handling and management rigor; effective corrective action program; performance reporting, monitoring, and metrics; personnel performance; and financial controls. The quality assurance manager, radiological safety manager, and industrial safety/industrial health manager, will report directly to the General Manager for independence from operations.

B. Qualifications of Key Management Personnel

The General Manager for the Zion Restoration Project will be Mr. Patrick Daly. The General Manager reports to Mr. Ken Powers, Chief Operating Officer, Commercial Services Group of EnergySolutions and Senior VP, Zion Solutions, LLC. The General Manager will be the senior corporate person with all the necessary authority and full responsibility for the safe and reliable accomplishment of the decontamination and decommissioning activities of the Zion Restoration Project. Several technical support functions, including QA and Licensing and ES&H-RSO, will report directly to the General Manager. The Chief Operating Officer, Commercial Services Group, with responsibility for the Zion Restoration Project, will report directly to Mr. John Christian, the President ZS and President, Commercial Services Group. Mr. Christian will report directly to Mr. Steve Creamer, the CEO of ZS and EnergySolutions.

A Restoration Project Review and Advisory Board will be established to advise on issues of project performance and safety. The Chairperson of the Restoration Project Review and Advisory Board, Mr. Thomas Magette, for the Zion Restoration Project will report directly to the Chief Operating Officer.

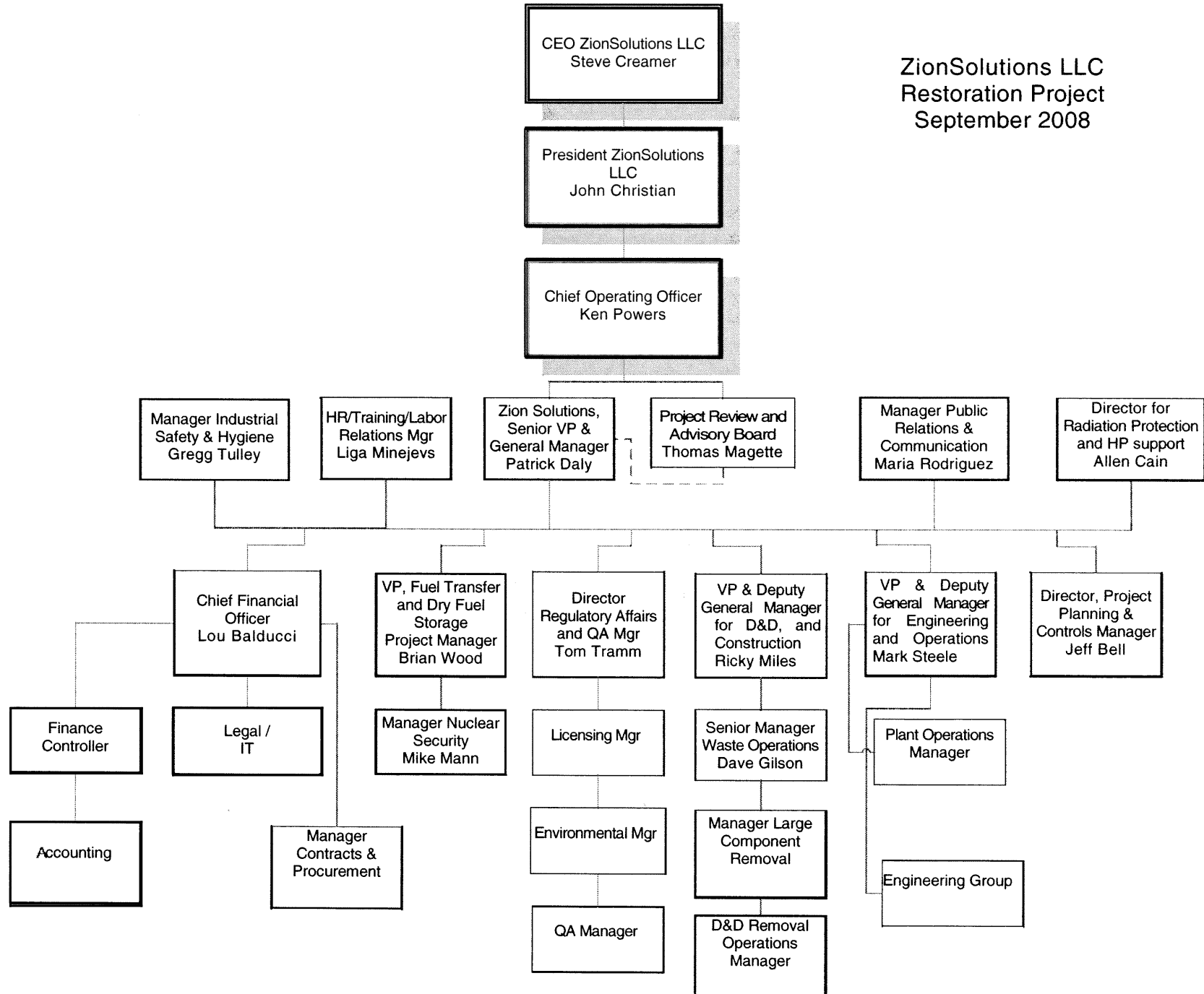
Resumes of the qualifications and experience of the key management personnel for the Zion Restoration Project are included in Enclosure 5 hereto.

C. Spent Fuel Handling and Dry Fuel Storage

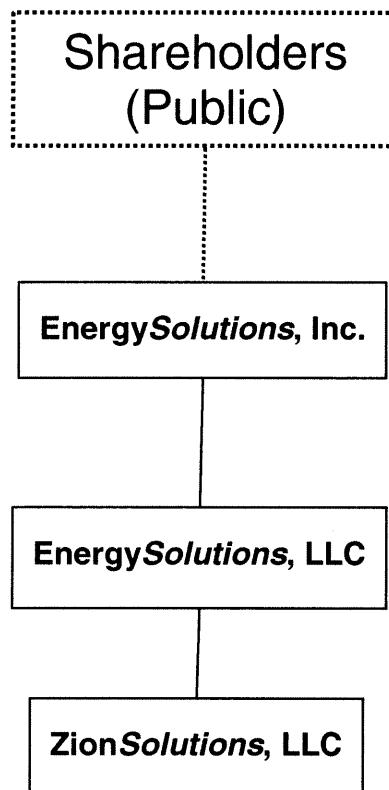
EnergySolutions brings extensive experience to its subsidiary ZS in spent fuel handling and dry fuel storage systems. EnergySolutions currently provides to the nuclear utility industry onsite support services for preparation, loading, and transfer of spent nuclear fuel dry storage systems and other related fuel pool services. EnergySolutions personnel experienced with spent fuel management will be utilized both directly as ZS employees and in support roles to the Zion project. Examples of spent fuel handling experience include the management of cask loading campaigns at operating plants including the second campaign at the Sequoyah Nuclear Generating Station, as well as at decommissioned plants such as Big Rock Point and Yankee Atomic. In fact, ZS's proposed Dry Fuel Storage Project Manager managed the Yankee Atomic site and had responsibility for the spent fuel cask loading campaign for the decommissioning of Yankee Atomic site. In addition, EnergySolutions personnel have substantial experience with high level waste handling and cask loading at projects throughout the DOE complex.

EnergySolutions also has successfully developed dry cask storage and transportation systems for spent nuclear fuel that conform to the regulatory requirements of the NRC since the beginning of dry cask storage in the mid-1980s. EnergySolutions developed the design of the FuelSolutions™ system in the late 1990s for the dry storage of BWR and PWR fuel. The FuelSolutions™ system was the first fully integrated commercially available system for the dry storage and transportation of more than 90% of the U.S. PWR and BWR fuel. EnergySolutions personnel have designed canister-based systems for transportation of spent nuclear fuel as well as storage/aging cask systems (e.g., the FuelSolutions™ System and the VSC-24 System) for

ZionSolutions LLC  
 Restoration Project  
 September 2008



ZionSolutions, LLC Ownership Chart  
(EnergySolutions, LLC)





<b>NAME:</b>	ZionSolutions, LLC
<b>STATE OF INCORPORATION:</b>	Delaware
<b>BUSINESS ADDRESS:</b>	101 Shiloh Blvd. Zion, IL 60099-2797
<b>DIRECTORS:</b>	R Steve Creamer, Director Philip O. Strawbridge, Director Val J. Christensen, Director Thomas S. O'Neill, Exelon Director Designee, 4300 Winfield Road, 5th Floor, Warrenville, IL 60555
<b>EXECUTIVE PERSONNEL</b>	R Steve Creamer, Chief Executive Officer John Christian, President Philip O. Strawbridge, Senior Vice President and Chief Financial Officer Val J. Christensen, Senior Vice President, General Counsel and Secretary Ken Powers, Chief Operating Officer Pat Daly, Vice President Mark C. McBride, Vice President and Controller Marshall E. Erb, Vice President and Treasurer Suzanne A. Stewart, Assistant Secretary

<b>NAME:</b>	EnergySolutions, LLC
<b>STATE OF INCORPORATION:</b>	Utah
<b>BUSINESS ADDRESS:</b>	423 West 300 South, Suite 200 Salt Lake City, Utah 84101
<b>DIRECTORS:</b>	R Steve Creamer, Manager, Chairman Jean I. "Chip" Everest, II, Manager, Vice Chairman Alan E. Goldberg, Manager Robert D. Lindsay, Manager Lance L. Hirt, Manager Andrew S. Weinberg, Manager Jordan W. Clements, Manager
<b>EXECUTIVE PERSONNEL</b>	R Steve Creamer, Chief Executive Officer Jean I. "Chip" Everest, II, Vice Chairman Raul A. Deju, President, Chief Administrative Officer Philip O. Strawbridge, Executive Vice President, Chief Financial Officer Alan M. Parker, Executive Vice President, Chief Operating Officer Val J. Christensen, Executive Vice President, General Counsel and Secretary Timothy L. Barney, Executive Vice President John C. Christian, Executive Vice President Mark C. McBride, Senior Vice President and Controller Marshall E. Erb, Senior Vice President and Treasurer Tye K. Rogers, Vice President Rihcard A. Lyon, Vice President Suzanne Allen, Assistant Secretary Tamera I. Donovan, Assistant Secretary

<b>NAME:</b>	EnergySolutions, Inc.
<b>STATE OF INCORPORATION:</b>	Delaware
<b>BUSINESS ADDRESS:</b>	423 West 300 South, Suite 200 Salt Lake City, Utah 84101
<b>DIRECTORS:</b>	R Steve Creamer, Director, Chairman Jean I. "Chip" Everest, II, Director, Vice Chairman Alan E. Goldberg, Director Robert D. Lindsay, Director Lance L. Hirt, Director Robert J.S. Roriston, Director Andrew S. Weinberg, Director Jordan W. Clements, Director E. Gail de Planque, Director David B. Winder, Director Robert A. Whitman, Director
<b>EXECUTIVE PERSONNEL</b>	R Steve Creamer, Chief Executive Officer Jean I. "Chip" Everest, II, Vice Chairman Raul A. Deju, President, Chief Administrative Officer Philip O. Strawbridge, Executive Vice President, Chief Financial Officer Alan M. Parker, Executive Vice President, Chief Operating Officer Val J. Christensen, Executive Vice President, General Counsel and Secretary

## Ken Powers – Chief Operating Officer

Ken Powers was appointed Chief Operating Officer, Commercial Services Group for EnergySolutions, LLC and Senior Vice President, ZionSolutions, LLC in July, 2008. He has over 35 years of senior management experience building bridges with and earning respect of workforce, subcontractors, regulators and clients and with significant increases in productivity and accelerated schedule in complex, high-hazard projects at commercial, US DOE and UK nuclear facilities. Ken has led unionized work-forces through changing direction from operations and maintenance to a work completion/closure mode, while achieving excellent safety and health records. He is an enthusiastic, charismatic and visionary leader.

### Work Summary

#### 2005-2008 Energy Solutions/ British Nuclear Group/ Magnox Electric

- Managing director for the Magnox South sites covering 10 reactors, four of which operated through December 2006, with >£300M pa budget and a life cycle cost estimate >£5B.
- Set up the Southern Bundle and executive management organization.
- Site Manager for Hinkley Point A reactor site undergoing decommissioning.

#### 2003-04 FFTF Restoration Co. LLD, President and CEO

- Business development, selecting and building a proposal team for a US DOE closure contract, TEC \$240M.

#### 2000-03 Kaiser-Hill, Rocky Flats, Vice President

- V.President, Construction, \$150M of removal of 6000' of contaminated ductwork, 122,000 ft of contaminated piping and electrical lines, >12,000 ft<sup>3</sup> of asbestos from piping and ductwork; demolition of 14 buildings with >315,000 ft<sup>2</sup>; rigging and disposal of >240 tons of contaminated equipment.
- V.President of Safety, Engineering & Quality.
- V.President and Project Manager of Building 707 Closure Project, including removal of 3600 shipments of Special Nuclear Material. *Project completed 21 months ahead of schedule and 12% under baseline budget.*

#### 1994-00 Consumers Energy, Plant General Manager

- Led Big Rock Point through the last 18 months of operations and through final shutdown, established D&D team, produced and implemented execution plan to greenfield. \$340M.
- Led an operational reactor, Palisades, through extreme regulatory difficulties.

#### 1993-94 Tennessee Valley Authority, Plant Manager/Vice President

- Managed Sequoyah Nuclear Plant to a successful recovery of operations and included correcting operational, cultural and hardware issues of concern.

1987-93 Philadelphia Electric Company (Exelon), Peach Bottom Atomic Power Station,  
Plant Manager and Manager of Construction & Maintenance

- Led recovery of the nation's most troubled nuclear site back to successful operations of two 1100Mwe reactors.

1971-87 Bechtel, United Engineers, Burns & Roe. Cost/Schedule, Construction and  
Engineering Manager

- Key leadership positions on nuclear power new build projects, not September 2008  
Laguna Verde and Seabrook startups.

1967-71 US Navy (Lt), Senior Nuclear Submarine Superintendent for nuclear refueling,  
modifications and overhauls.

#### Education, Training, Certifications

- Industrial Engineering Degree, General Motors Institute
- Post-graduate studies—MIT/University of New Hampshire/University of Tennessee
- Distinguished Naval Graduate—US Navy Officer Candidate School
- Senior Nuclear Ship Superintendent Qualification
- Senior Reactor Operator Certification
- Certified Cost Engineer/ Chief Estimator, American Association of Cost Engineers
- US DOE Top Secret "Q" Clearance