

UNITED STATES OF AMERICA

U. S. NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
EXELON GENERATION COMPANY, LLC) Docket Nos. 50-295 and 50-304
) License Nos. DPR-39 and DPR-48
(Zion Nuclear Power Station, Units 1 and 2))
)

ORDER APPROVING THE TRANSFER OF LICENSES
AND CONFORMING AMENDMENT

I.

Exelon Generation Company, LLC (Exelon) is the holder of Facility Operating Licenses DPR-39 and DPR-48, which authorize the possession, use and operation of Zion Nuclear Power Station, Units 1 and 2 (Zion). In February 1998, pursuant to 10 CFR 50.82(a)(1)(i), Commonwealth Edison Company, the former licensee of Zion, certified to the U.S. Nuclear Regulatory Commission (NRC or Commission) that as of February 13, 1998, operations had ceased at Zion. Later, Commonwealth Edison Company certified, pursuant to 10 CFR 50.82(a)(1)(i), that all fuel had been removed from the reactor vessel of both units. Commonwealth Edison Company committed to maintaining the units as permanently defueled. Therefore, pursuant to 10 CFR 50.82(a)(2), operations at Zion are no longer authorized under the Part 50 licenses and Exelon is licensed to possess, but not use or operate Zion under License Nos. DPR-39 and DPR-48. The facility is located at the licensee's site in Lake County, Illinois.

II.

By letter dated January 25, 2008, Exelon and ZionSolutions, LLC (ZS) (collectively, “the applicants”) submitted an application to the NRC requesting approval of the direct transfer of Facility Operating Licenses DPR-39 and DPR-48 from Exelon to ZS.

Supplemental information was provided by letters dated March 18, 2008, March 28, 2008, April 1, 2008, September 25, 2008, October 23, 2008, and February 4, 2009, and e-mails dated March 14, 2008, May 16, 2008, and July 9, 2008 (hereinafter, the January 25 application, together with supplemental information, will be collectively referred to as the “application”). The applicants also requested approval of conforming license amendments that would reflect the proposed transfer of the licenses for Zion to the extent now held by Exelon, delete references to Exelon in the licenses and technical specifications, and authorize ZS to possess the ownership interests in Zion. No physical changes to the facilities or operational changes were proposed in the application. After completion of the proposed transfer, ZS would be the owner and possessor of Zion.

Approval of the license transfers of the facility operating licenses and conforming license amendments are requested by the applicants pursuant to Sections 50.80 and 50.90 of Title 10 of the *Code of Federal Regulations* (10 CFR). Notice of the request for approval and opportunity for a hearing were published in the *Federal Register* on May 21, 2008 (73 FR 29540). No requests for hearing or comments were received.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information in the application and other information before the Commission, and relying upon the representations and agreements contained in the application, the NRC staff has determined that ZS is qualified to hold the licenses to the extent previously held by Exelon, and that the transfer of the licenses to ZS, described in the

application is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendments complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I; there is reasonable assurance that the activities authorized by the proposed license amendments can be conducted without endangering the health and safety of the public, and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendments will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed license amendments will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

The findings set forth above are supported by NRC safety evaluations dated May 4, 2009.

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Act, 42 U.S.C. Sections 2201(b), 2201(i), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the transfer of the licenses, as described herein, to ZS are approved, subject to the following conditions:

Prior to the closing of the license transfers from Exelon to ZS, ZS will provide written proof that an Irrevocable Letter of Credit in the amount of at least \$200 million has been established by EnergySolutions, LLC, in accordance with the application, for the decommissioning of the Zion Nuclear Power Station, Units 1&2. The letter of credit cannot be terminated without 30 days prior written notice to the Director of the Office of Federal and State Materials and Environmental Management Programs (FSME) and Director of the Office of

Nuclear Reactor Regulation (NRR). If, upon receiving such notice, the NRC objects in writing, the letter of credit cannot be terminated.

and

Prior to the closing of the license transfers from Exelon to ZS, ZS will provide written proof that an Irrevocable Easement for Disposal Capacity of 7.5 million cubic feet has been established by EnergySolutions, LLC, in accordance with the application, for the decommissioning of the Zion Nuclear Power Station, Units 1&2. The Easement for Disposal Capacity cannot be terminated without 30 days prior written notice to the Director of FSME and Director of NRR. If, upon receiving such notice, the NRC objects in writing, the easement cannot be terminated.

and

Prior to the closing of the license transfers from Exelon to ZS, ZS shall provide the Director of FSME and Director of NRR satisfactory documentary evidence that it has obtained the appropriate amount of insurance required of a licensee under 10 CFR Part 140 of the Commission's regulations and consistent with the exemptions issued to Zion on December 21, 1999.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), the license amendments that makes changes, as indicated in Enclosures 2 and 3 to the cover letter forwarding this Order, to conform the licenses to reflect the subject direct license transfer is approved. The amendments shall be issued and made effective at the time the proposed direct license transfer is completed.

IT IS FURTHER ORDERED that ZS shall inform the Director of FSME and Director of NRR in writing of the date of closing of the transfer of the Exelon interests in Zion, at least 1 business day prior to closing. Should the transfer of the licenses not be completed within 1 year

of this Order's date of issue, this Order shall become null and void, provided; however, that upon written application and for good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated January 25, 2008, as supplemented by letters dated March 18, 2008, March 28, 2008, April 1, 2008, September 25, 2008, October 23, 2008, and February 4, 2009, and e-mails dated March 14, 2008, May 16, 2008, and July 9, 2008, and the safety evaluation dated May 4, 2009, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike, Room O-1 F21 (First Floor), Rockville, Maryland and accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209, 301-415-4737, or by e-mail at pdr@nrc.gov.

Dated at Rockville, Maryland this 4th day of May 2009.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Charles L. Miller, Director
Office of Federal and State Materials
and Environmental Management Programs