

RS-10-019

January 26, 2010

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:** Request for Extension of Order Approving Transfer of Licenses
- References:**
- 1) Letter from T. S. O'Neill (Exelon Generation Company, LLC) and J. Christian (ZionSolutions, LLC) to NRC, "Application for License Transfers and Conforming Administrative License Amendments," dated January 25, 2008
 - 2) Letter from Patrick R. Simpson (Exelon Generation Company, LLC) and Patrick T. Daly (ZionSolutions, LLC) to NRC, "Update to Application for License Transfers and Conforming Administrative License Amendments," dated October 23, 2008
 - 3) Letter from John B. Hickman (NRC) to John A. Christian (ZionSolutions, LLC), "Order Approving Transfer of Licenses and Conforming Amendments Relating to Zion Nuclear Power Station Units 1 and 2," dated May 4, 2009

This letter requests extension of the effectiveness of the NRC approval for transfer of the Zion Nuclear Power Station (ZNPS) facility operating licenses from Exelon Generation Company, LLC (Exelon) to ZionSolutions, LLC (ZionSolutions). In Reference 1, Exelon and ZionSolutions submitted a License Transfer Application (LTA) in connection with ZNPS. The NRC approved the transfer of the ZNPS licenses in the Order contained in Reference 3. The Order states, in part, that should the transfer not be completed within one year, the Order is to become null and void, unless it is extended upon written application and for good cause shown.

Exelon and ZionSolutions request that the effectiveness of the Order be extended by six months to allow sufficient time to satisfy the conditions of the Order and the terms of the Asset Sale Agreement as described in Reference 1.

There is good cause to extend the existing approval. As indicated in Reference 2, past fluctuations in the financial markets caused the transfer of ZNPS to be delayed. Upon transfer of ZNPS, *ZionSolutions* must receive assets with sufficient market value to assure that *ZionSolutions* will have adequate resources to complete the decommissioning project. As of December 31, 2009, the market value of the combined ZNPS trust funds recovered to approximately \$888 million. Improvement in financial market performance needs to continue for only a few more months for the value to reach a level adequate to complete the project.

Considerable progress has also been made toward the acquisition of an Irrevocable Letter of Credit in the amount of at least \$200 million, which is a condition of the Order. This additional financial assurance instrument was unavailable for several months during the recent financial market fluctuations. After diligent efforts, a major financial institution has recently indicated that the Letter of Credit will become available within a few months.

We are optimistic that the financial environment will support transfer of ZNPS to *ZionSolutions* prior to May 4, 2010, the date upon which the Order expires. It is prudent however to request extension of the Order's effectiveness to accommodate possible further delays associated with minor financial market fluctuations.

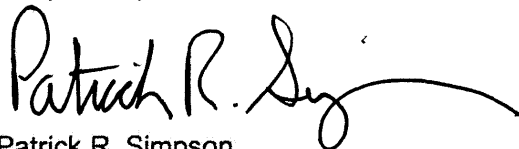
The technical qualifications of the new organization and other bases for approving the transfers remain intact, and the contractual and financial arrangements, as described in the application and supplemental information, remain valid. Both continue to support the NRC's findings regarding the technical and financial qualifications of *ZionSolutions*.

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).

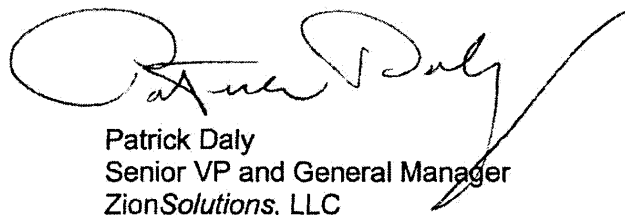
This letter does not contain any regulatory commitments. If you have any questions about this letter, please contact Patrick Simpson at (630) 657-2823 or Tom Tramm at (847) 379-2725.

I declare under penalty of perjury that the foregoing is true and correct. Executed on the 26th day of January 2010.

Respectfully,



Patrick R. Simpson
Manager – Licensing
Exelon Generation Company, LLC



Patrick Daly
Senior VP and General Manager
ZionSolutions, LLC

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cc: Regional Administrator, Region III, US NRC
IEMA – Division of Nuclear Safety