

U. S. NUCLEAR REGULATORY COMMISSION

[NRC-2008-0285]

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 EXTENDING THE EFFECTIVENESS OF THE APPROVAL OF THE
TRANSFER OF LICENSE AND CONFORMING AMENDMENT

I.

Exelon Generation Company, LLC (Exelon) is the holder of licenses DPR-39 and DPR-48, for the Zion Nuclear Power Station, Units 1 and 2 (Zion facilities). Pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) section 50.82(a)(2), operation of the Zion facilities is no longer authorized under the Part 50 licenses. Exelon is licensed to possess, but not use or operate the Zion facilities, which are located in Lake County, Illinois.

II.

By Order dated May 4, 2009 (Transfer Order), the Commission consented to the direct transfer of control of Zion's license to *ZionSolutions* LLC, pursuant to 10 CFR 50.80. By its terms, the Transfer Order becomes null and void if the license transfer is not completed within 1 year, unless upon application and for good cause shown, the Commission extends the Transfer Order's May 4, 2010, expiration date.

III.

By letter dated January 26, 2010, Exelon and *ZionSolutions*, LLC (ZS) (collectively, "the applicants") submitted a request to extend the effectiveness of the Transfer Order by 6 months, until November 4, 2010. According to the letter, past fluctuations in the financial markets

caused the license transfers to be delayed. Upon transfer, *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 Zion trust funds recovered to approximately \$888 million. The applicants stated that 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. The applicants further state that considerable progress has 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 Transfer Order. This additional financial assurance instrument was unavailable for several months during the recent financial market fluctuations, and the applicants further state that the Letter of Credit will become available within a few months. While the applicants believe that the extra 6 months may later not be needed, they consider it prudent to request an extension to accommodate possible further delays that financial market fluctuations could cause. Therefore, the applicants requested an extension of the Transfer Order by 6 months to permit completion of the Zion license transfers. In their January 26, 2010, letter the applicants stated that 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.

Based on the above representations, the NRC staff has determined that the applicants have shown good cause for extending the effectiveness of the Order by 6 months, as requested.

IV.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. §§ 2201(b), 2201(i), and 2234, and 10 CFR 50.80, IT IS HEREBY ORDERED that the Transfer Order's expiration date is extended until November 4, 2010. If the

subject license transfer from Exelon to *ZionSolutions*, LLC referenced above is not completed by November 4, 2010, the Transfer Order of May 4, 2009, shall become null and void, unless upon application and for good cause shown, the Commission further extends the effectiveness of the Transfer Order.

This Order is effective upon issuance.

For further details with respect to this Order, see the submittal dated January 26, 2010 (ML100261739), which is 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 pdrr@nrc.gov.

Dated at Rockville, Maryland this 12th day of March, 2010.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

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