



Northern Trust

July 30, 2010

Mr. Eric Leeds, Director
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852

**Subject: Zion Nuclear Power Station, Units 1 and 2
Notice of Revised Disbursement from Decommissioning Trust**

In accordance with the Zion Nuclear Power Station (ZNPS) Facility Operating Licenses, Condition 2.C.(14)(c), the decommissioning trust agreement provides that no disbursement shall be made by the Trustee unless the Trustee has first given the Director of the Office of Nuclear Reactor Regulation 30 days' prior written notice of such disbursement.

Also, Article II, Section 2.01, "Distributions," of the Restated Tax Qualified Nuclear Decommissioning Master Trust Agreement provides that distributions will be made in accordance with Article 2 of the Master Terms. The Master Terms for Trust Agreements Article 2, "Establishment of Separate Trusts and Dispositive Provisions," Section 2.2 "Payment of Nuclear Decommissioning Cost," paragraph (d) subparagraph (i), provides that except for administrative costs and taxes as provided in Section 2.5 and 4.1 of the Master Terms, no disbursement or payments for decommissioning costs shall be made from the trusts unless the Trustee provides 30 days' prior written notice to the NRC Director, Office of Nuclear Reactor Regulation.

Northern Trust previously provided 30 days' notice to the NRC for disbursements from the Zion 1 Non-Tax Qualified Trust and the Zion 2 Non-Tax Qualified Trust for Qualified Decommissioning Costs for 2007, 2008, and 2009. These notifications were contained in letters sent to NRC from Northern Trust on March 18, 2010 and March 24, 2010.

EGC will reimburse the Non-Tax Qualified Trust the amounts, which were disbursed in connection with the notice previously sent on March 18, 2010 and March 24, 2010 to the NRC. At EGC's direction, The Northern Trust Company will make disbursements from the Tax Qualified Trust to reimburse Exelon for the decommissioning costs. The payments will be consistent with the amounts previously reimbursed from the Non-Tax Qualified Trusts, which are as follows:

| | Unit 1 | Unit 2 |
|------|----------------|----------------|
| 2007 | \$5,092,202.76 | \$5,092,202.77 |
| 2008 | \$5,630,428.24 | \$5,630,428.24 |
| 2009 | \$6,049,859.41 | \$6,049,859.41 |

EGC has confirmed to us that the costs to be reimbursed are still related to maintaining the units in SAFSTOR and are Qualified Costs payable by the trust. We confirm there is no additional disbursement to be made to EGC with this transaction.

This letter provides the Director of the Office of Nuclear Reactor Regulation written notification of such, and documents that there will be no reduction in the amount of funds available for radiological decommissioning as a result of this transaction.

If you have any questions about this letter, please contact me at (312) 444-2423.

Respectfully,



Phil Michalec
Vice President

cc: Doug Brown (EGC)

