

July 15, 2011

Mr. John A. Christian, President
ZionSolutions, LLC,
and Commercial Services, EnergySolutions
ZionSolutions, LLC
900 17th Street NW, Suite 1050
Washington, DC 20006

SUBJECT: ZION NUCLEAR POWER STATION, UNITS 1 AND 2 -2011
DECOMMISSIONING FUNDING STATUS REPORT - REQUEST FOR
ADDITIONAL INFORMATION (TAC NOS. J00408 AND J00409)

Dear Mr. Christian:

On March 30, 2011, ZionSolutions, LLC (ZS) submitted to the Nuclear Regulatory Commission the 2011 Decommissioning Funding Status report for Zion Nuclear Power Station (ZNPS), Units 1 and 2, as required under 10 CFR 50.75(f)(1). In order to complete our review of your Decommissioning Funding Status report we require additional information as detailed in the enclosure. Please provide a response to our request for additional information within 30 days from the date of this letter.

Sincerely,

/RA/

John B. Hickman, Project Manager
Reactor Decommissioning Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials and
Environmental Management Programs

Docket Nos.: 50-295 and 50-304
License Nos.: DPR-39 and DPR-49

Enclosure: Request for Additional Information

cc: w/enclosures:
Zion License Transfer Service List

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ZionSolutions, LLC,
and Commercial Services, EnergySolutions
ZionSolutions, LLC
900 17th Street NW, Suite 1050
Washington, DC 20006

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Distribution:
CLipa, RIII SHarwell, NRR CRegan, NRR

ML111940236

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DATE	07/14/11	07/15/11	07/15/11	07/15/11

OFFICIAL RECORD COPY

Zion Nuclear Power Station, Units 1 and 2 Service List

cc:

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REQUEST FOR ADDITIONAL INFORMATION
2011 DECOMMISSIONING FUNDING STATUS REPORT
FOR ZIONSOLUTIONS, LLC

On March 30, 2011, ZionSolutions, LLC (ZS) submitted to the Nuclear Regulatory Commission (NRC) the 2011 Decommissioning Funding Status (DFS) report for Zion Nuclear Power Station (ZNPS), Units 1 and 2, as required under 10 CFR 50.75(f)(1) (ML111100603). These requests for additional information (RAI) are in response to the ZS 2011 DFS report.

RAI #1: Decommissioning Expenses

On March 30, 2011, ZS reported the following in relation to the Decommissioning Trust Fund (DTF) balance for ZNPS, Units 1 and 2:

Trust Fund Amount at December 31, 2010	\$788,293,000
Unit 1 Fund Amount	\$340,637,000
Unit 2 Fund Amount	\$447,656,000

Per 10 CFR 50.75(e)(2),

the NRC reserves the right to take the following steps in order to ensure a licensee's adequate accumulation of decommissioning funds: review, as needed, the rate of accumulation of decommissioning funds.

Per 10 CFR 50.75(g),

each licensee shall keep records of information important to the safe and effective decommissioning of the facility in an identified location until the license is terminated by the Commission. If records of relevant information are kept for other purposes, reference to these records and their locations may be used. Information the Commission considers important to decommissioning consists of-
[...]

(3) Records of the cost estimate performed for the decommissioning funding plant or of the amount certified for decommissioning, and records of the funding method used for assuring funds if either a funding plan or certification is used.

Provide the amount spent on decommissioning, both cumulative and over the previous calendar year, in a schedule showing the expenses for each year since the permanent cessation of operations. Provide the amount withdrawn from the decommissioning trust fund for expenses related to decommissioning planning prior to the permanent cessation of operation.

Enclosure

RAI #2: Decommissioning Costs

On March 30, 2011, ZS provided the following:

Required Minimum at December 31, 2010 \$716,700,000 Per 10 CFR
50.82(a)(8)(i),

decommissioning trust funds may be used by licensees if-

[...]

(C) The withdrawals would not inhibit the ability of the licensee to complete funding of any shortfalls in the decommissioning trust needed to ensure the availability of funds to ultimately release the site and terminate the license.

Provide an estimate of the costs to complete decommissioning, reflecting any difference between actual and estimated costs for work performed during the year, and the decommissioning criteria upon which the estimate is based.

RAI #3: Citation for real rate of returns

On March 30, 2011, ZS reported the following:

A 2% annual real rate of return is assumed in these calculations.

As stated in 10 CFR 50.75(f)(1),

the information in [the DFS] report must include [. . .] the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. . .

Provide the basis for the assumptions used regarding rates of escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors assumed in your DFS report.

RAI #4: Citation for Site-Specific Study

On March 30, 2011, ZS referenced a site-specific cost estimate for the amount of decommissioning funds estimated to be required.

Per 10 CFR 50.75(e)(1)(i) and (ii),

the licensee must specifically describe the safe storage period in order to take credit for projected future earnings when it uses a site-specific estimate as the basis for using the prepayment or external sinking fund methods of financial assurance.

Provide the site specific cost estimate for ZNPS, Units 1 and 2, unless it was previously submitted to NRC. If the cost estimate was previously submitted to NRC, then provide a reference to its submittal. The site specific cost estimate should include a summary schedule of annual expenses, projected earnings, and end-of-year fund balances, expressed in 2010 dollars.

RAI #5: Amounts accumulated

On March 30, 2011, ZS did not state if the amount of decommissioning funds accumulated was an after-tax amount.

The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report.

Provide the after-tax amount of funds accumulated through December 31, 2010.