

December 21, 2011

ZS -2011- 0740

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

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: Zion Nuclear Power Station, Units 1 and 2
Pre-Notice of 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 must contain a requirement that no disbursements or payments shall be made from the trust without the trustee giving (thirty) 30 days prior written notice to the Director of the Office of Nuclear Reactor Regulation.

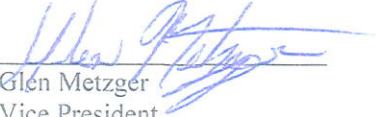
Article 2, Section 2.2 of the Master Terms for Trust Agreements of the Tax-Qualified Nuclear Decommissioning Master Trust Agreement and the Non-Tax Qualified Nuclear Decommissioning Master Trust Agreement by and between ZionSolutions, LLC (“ZionSolutions”) and The Bank of New York Mellon as Trustee provides 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 Costs", paragraph (d), subparagraph (iv), provides that except for administrative costs and taxes as provided in Sections 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 or ZionSolutions LLC provides thirty (30) days prior written notice, of such disbursement or payment, to the NRC Director, Office of Nuclear Reactor Regulation.

This letter provides the Director of the Office of Nuclear Reactor Regulation written notification of The Bank of New York Mellon’s intent, upon receipt of a completed Disbursement Certificate from ZionSolutions, LLC, to make disbursements from the nuclear decommissioning trusts of ZNPS, Units 1 and 2. The disbursements will pay for decommissioning costs, as incurred, not to exceed (without a supplemental 30-day notice to the Director) \$60,000,000 at ZNPS, Unit 1 and \$60,000,000 at ZNPS, Unit 2 for the period January through June of 2012. ZionSolutions has confirmed (or prior to the corresponding disbursement shall have confirmed) to us that the costs to be disbursed are legitimate decommissioning expenses.

We plan to begin making disbursements from the nuclear decommissioning trusts for ZNPS Units 1 and 2, in the amounts described above, 30 days following the date of this letter, in the absence of any written notice of objection from the NRC.

If you have any questions about this letter, please contact Patrick Thurman at (224) 789-4041 or me at (412) 234-0573.

Respectfully,


Glen Metzger
Vice President
The Bank of New York Mellon


Patrick S. Thurman, Esq.
Vice President Regulatory Affairs
ZionSolutions, LLC

CC: John Hickman, U.S. NRC
Louis Balducci, ZionSolutions, LLC
Richard Tooze, ZionSolutions, LLC