

February 3, 2012

Mr. John A. Christian, President
ZionSolutions, LLC
1750 Tysons Boulevard, Suite 1500
McLean, VA 22102

SUBJECT: NRC INSPECTION REPORT 050-00295/11-08(DNMS); 050-00304/11-08(DNMS) -
ZION NUCLEAR POWER STATION

Dear Mr. Christian:

On December 15, 2011, the U.S. Nuclear Regulatory Commission (NRC) completed onsite inspection activities for the fourth calendar quarter of 2011 at the permanently shut-down Zion Nuclear Power Station in Zion, Illinois. The purpose of the inspection was to determine whether decommissioning activities were conducted safely and in accordance with NRC requirements. The enclosed report presents the results of this inspection, which were discussed with members of your staff during an exit meeting at the Zion Station on January 11, 2012. Following additional in-office review, on January 26, 2012, a telephone discussion was held with Mr. Patrick Thurman to discuss the final inspection results.

During the inspection period, NRC inspectors reviewed elements of the radiation protection, radioactive waste transportation, and emergency preparedness programs; including the execution of an emergency plan drill and the shipment of the Unit 2 reactor vessel head. Portions of the spent fuel assembly instrument tube tie rod (ITTR) modification were also reviewed during the inspection period. In addition, the inspectors evaluated the effectiveness of actions taken to meet the requirements imposed by NRC Order EA-09-204, for increased control of certain quantities of radioactive material.

The inspection consisted of an examination of activities at the site as they relate to safety and compliance with the Commission's rules and regulations. Areas examined during the inspection are identified in the enclosed report. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations of activities in progress, and interviews with personnel.

Based on the results of this quarterly inspection effort, the NRC inspectors identified one violation of regulatory requirements. However, because the issue is of low safety significance and because it was entered into your corrective action program, the NRC is treating the issue as a non-cited violation (NCV) in accordance with Section 2.3.2 of the NRC Enforcement Policy. Additionally, the inspectors identified a security-related deviation from a regulatory commitment. These items are discussed in detail in the enclosed report.

The Enclosure Contains Sensitive Unclassified Non-Safeguards Information. When separated from the enclosure, this transmittal letter is decontrolled.

J. Christian

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No response is required for the NCV or the security-related commitment deviation. However, if you contest the subject or severity of the NCV OR the commitment deviation or if the description herein does not accurately reflect your position on these matters, you should provide a response within 30-days of the date of this inspection report, with the basis for your denial, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 555-0001, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission - Region III.

Should you choose to respond and safeguards information is necessary to provide an acceptable response, please provide the level of protection described in Title 10 of the Code of Federal Regulations (CFR) 73.21. Otherwise, please mark your response "Security-Related Information – Withhold from Public Disclosure" in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements of your response. Your response will not be made available electronically for public inspection in the NRC's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the ADAMS, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. However, because the enclosed inspection report contains Security Related Information and must be protected from unauthorized disclosure, the report will not be made available for public inspection. The Enclosure must be protected from unauthorized disclosure.

We will gladly discuss any questions you may have regarding this inspection.

Sincerely,

/RA/

Aaron T. McCraw, Acting Chief
Materials Control, ISFSI, and
Decommissioning Branch
Division of Nuclear Materials Safety

Docket Nos. 050-00295; 050-00304
License Nos. DPR-39; DPR-48

Enclosure:
Inspection Report No. 050-00295/11-08(DNMS);
050-00304/11-08(DNMS)

cc w/encl and w/o encl: See next page

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Letter to John Christian from Aaron McCraw dated February 3, 2012

SUBJECT: NRC INSPECTION REPORT 050-00295/11-08(DNMS); 050-00304/11-08(DNMS) -
ZION NUCLEAR POWER STATION

cc w/encl: C. Settles, Head Resident
Inspection, Illinois Emergency
Management Agency
Joseph G. Klinger, Illinois
Emergency Management Agency
General Manager, Zion Nuclear
Power Station, ZionSolutions, LLC
Director Regulatory Affairs, Zion
Nuclear Power Station, ZionSolutions, LLC
Security Manager, Zion Nuclear
Power Station, ZionSolutions, LLC

cc w/o encl: The Honorable Suzi Schmidt,
Illinois General Assembly
The Honorable JoAnn D. Osmond,
Illinois General Assembly
Barry A. Burton, Lake County
Administrator
Mark C. Curran, Jr., Lake County
Sheriff
Laurie Cvengros, Village Clerk,
Village of Beach Park, Illinois
Willard R. Helander, Lake County Clerk
Jana Lee, Village Clerk, Village of
Winthrop Harbor, Illinois
Judy L. Mackey, City Clerk,
City of Zion, Illinois
Kent McKenzie, Lake County, Illinois
Irene T. Pierce, Lake County, Illinois

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J. Christian

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No response is required for the non-cited violation or the security-related commitment deviation. However, if you contest the subject or severity of the NCV, the commitment deviation or if the description herein does not accurately reflect your position on these matters, you should provide a response within 30-days of the date of this inspection report, with the basis for your denial, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 555-0001, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission - Region III.

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We will gladly discuss any questions you may have regarding this inspection.

Sincerely,

/RA/

Aaron T. McCraw, Acting Chief
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Decommissioning Branch
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