

October 24, 2016

ZS-2016-0115

Mr. William Dean, 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* 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*, 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) \$52,000,000 at ZNPS, for both Units 1 and 2 combined, for the period December 2016 through May 2017. *ZionSolutions* has confirmed (or prior to the corresponding disbursement shall have confirmed) to us that the costs to be disbursed are legitimate decommissioning expenses.

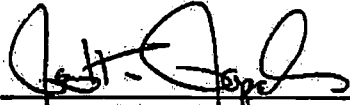
We plan to begin making disbursements from the nuclear decommissioning trusts for ZNPS Units 1 and 2, in the amount described above, thirty (30) days following the date of this letter, in the absence of any written notice of objection from the NRC.

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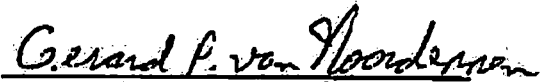
ZionSolutions, LLC
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If you have any questions about this letter, please contact Joshua Japalucci at (412) 234-8976 or Gerard van Noordennen at (224) 789-4025.

Respectfully,



Joshua T. Japalucci
Vice President
The Bank of New York Mellon



Gerard P. Van Noordennen
Vice President Regulatory Affairs
ZionSolutions, LLC

cc: John Hickman, U.S. NRC
Richard Tooze, EnergySolutions, LLC
John Rasmussen, EnergySolutions, LLC
Service List

Zion Nuclear Power Station, Unit 1 and 2 License Transfer Service List

cc:

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