



Monday, November 6, 2017

Mr. Brian Holian, Acting Director
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington D.C. 20555-0001

**Subject : Zion Decommissioning & Site Rehabilitation Project
Zion Nuclear Power Station, Units #1 & #2 Facility Operating License
Numbers DPR-39 & DPR-48 NRC Docket Numbers 50-295 & 50-304**

Dear Mr. Holian,

Vista 360 is a Public Interest Leadership group, we are seeking transparency, full disclosure and U.S. Nuclear Regulatory action in regard to the Zion Station Decommissioning.

Vista 360 is calling on you as the responsible party at the U.S. Nuclear Regulatory Commission to immediately assert an objection to any Zion Decommissioning Trust Fund requested draw downs or reimbursements accorded the present licensee, Zion Solutions LLC, regarding cited work on the above referenced Decommissioning & Site Rehabilitation Project.

Vista 360 alleges Trust Fund improprieties, mismanagement, misallocations and claims made for trust fund reimbursements that do not qualify as applicable Trust Fund Decommissioning expenses. Additionally, many large expenses do not meet the reasonableness standard as called out by the Trust Documents which were approved by the U.S. Nuclear Regulatory Commission and other peer regulators of record. As beneficiaries of the Trusts, we urge you to take immediate action as legally to us the local funding public (beneficiaries) you have a fiduciary responsibility. Vista 360 requests that you also immediately conduct an independent professionally driven forensic audit of all financial accounting of the licensee related to the above referenced Zion Decommissioning & Site Rehabilitation project for the years 2010-2017 and preceding years if appropriate.

As an initial assertion in recent years by our outside calculations through September 30, 2017, the U.S. Nuclear Regulatory Commission has permitted without objection the constant draw downs and re-imbursements from Trust Funds of approximately \$ 300,000,000 dollars knowing that the licensee, Zion Solutions, had admitted previously that there was a deficit in Trust Fund Assets and the required tasks of completely Decommissioning the Zion facility as was promised to the public who funded the Trusts at nearly \$1.0 Billion Dollars inclusive of accruals. No withdrawals after this point should have taken place but the NRC ignored the situation and did little or nothing in regard to the financial management of Trusts.

Page #2

Monday, November 6, 2017

Brain Holian - USNRC/ONRR

Contrary to regulatory dictates, Zion Solutions LLC, the licensee, by way of its Vice President & General Manger admitted the deficit Trust Fund status and that the company would be writing a check for any deficiencies in project costs. Needless to say, it isn't our assertion to be proven up with a he said - he said as this is clearly covered in the minutes of the proceeding Monday, December 8, 2014. Additionally, as you will note the U.S. Nuclear Regulatory Commission was present at the same meeting where the exchange with the public took place. We submit the minutes don't fully describe the licensee's tirade upon being questioned about the Trust Funds by the public. We attach for your review Exhibit A which covers Vista 360's assertion.

As you may know the U.S. Nuclear Regulatory Commission had its own investigation of Trust Funds related to incomplete or inaccurate information regarding various facility Decommissioning Status reports which included the Zion Nuclear Station. The NRC should have taken pause to consider this monumental internal NRC concern and proceeded accordingly with any new model. The record shows little or no engagement regarding caution and oversight of Trust Funds.

There was no reasonable assurance of Funds Availability in December 2014 and the US Nuclear Regulatory Commission was aware of it and did nothing to protect the beneficiaries of the Trusts. History dictates it has continued to do nothing in the way of reviewing any detail on Decommissioning expenditures since that date nor by asking any substantive questions or reviewing material related to the reasonableness standard covered by Trust Fund Documents. Additionally, as you may know by regulation the USNRC is the sole reporting agency for certain financial Decommissioning reporting by the licensee, Zion Solutions LLC so it is reasonable for the public to assume you are the ONLY regulator of record engaged with Decommissioning subject matter and finances at the Zion Decommissioning & Site Rehabilitation Project. This letter is not about your leadership role in Nuclear Safety and Security. It's about finances in a project and Decommissioning model you approved and have engaged solely as the regulator since the get go in 2008 which has been cited numerous times by the licensee, Zion Solutions, during public updates over the last 6 years. The Decommissioning model and landscape and events have shaped public opinion and the present facts.

Page #3

Monday, November 6, 2017

Brian Holian- USNRC/ONRR

By NRC published profile, it appears you have a background in licensing so you probably very well know that Facility Operating License Nos. DPR-39 & DPR-48 NRC Docket Nos. 50-295 & 50-304 were transferred twice (unprecedented) in this new STEWARDSHIP MODEL of Decommissioning. Zion as you know is the largest Decommissioning in U.S. Nuclear History with 2 reactors and almost a billion dollars in Trust Funds turned over to a company with little or no assets on the books and an undeclared to the public record of ownership and management as an LLC. With little doubt based on the prudent man rule the U.S. Nuclear Regulatory Commission should have from the beginning engaged the public more, listened more and been more responsive to public questioning of the operating financial issues related to the Zion Decommissioning. The public numbering some 3,000,000 funded 100% of the projected Decommissioning costs of the project. It appears we are entitled to the return of any surplus.

Not sure how to succinctly address the spirit of public discontent with the U.S. Nuclear Regulatory Commission in regard to the financial dimension of the Zion Decommissioning but the following points come to mind:

The NRC and it's front line regulators in Decommissioning promised at an initial NRC (transcribed) Public Meeting to answer post meeting all financial questions related to the Decommissioning model as proposed as it was BEING STUDIED and also agreed to show the public how the model would work BEFORE passing it to the Commissioners for review, consideration and approval. This asserted promise was never fulfilled, no one in Illinois was ever contacted and then the NRC Commissioners based on staff license transfer and trust fund recommendations for approval and pursuant to the Federal Register publication approved the transaction but the Licensee, Zion Solutions, then needed additional time to cobble together the financial dimension of the Order which took more than a year. The public feels the NRC should have taken pause to consider the future as a steward also. The record shows the NRC did little or nothing in regard to the public.

We want to remind you that the Stewardship Licensee's Parent company Energy Solutions (a former SEC public company) was sued by investors for making false projections and also misleading investors on full disclosure issues and as defendant's had to make a financial settlements with those investors for cheating them. This was clearly an emerging company (start up, a number of operating pieces, new format and organization) and the NRC should have taken pause to consider the evolving financial situation and engaged the public. The record shows the NRC did little or nothing in regard to the public.

Page #4

Monday, November 6, 2017

Brian Holian – USNRC/ONRR

Also, in the early Decommissioning two (2) Presidents & CEOs' departed along with at least 2 CFOs' immediately after the 1st license transfer. All of this under the Prudent Man Rule should have given the NRC pause to question the stewardship model and most importantly the integrity and culture of the licensee and its parent in regard to Trust Funds. The record shows the NRC did little or nothing in regard to the public.


The NRC thwarted Vista 360's FOIA request for a copy of the Zion Solutions Letter of Credit pursuant to the Commission's approval Order. It's worthy by current statement that the cost of issuing this specific letter of credit in Vista 360's opinion is not a legitimate Decommissioning expense. It is not the obligation of the public or Decommissioning Trust Funds to provide guarantees or start up financial footings or guarantees for new enterprises desiring to be Decommissioning providers. The NRC is totally in another world on this fundamental use of Decommissioning Trusts and has ignored the prudent man rule related to what appear to be outsized line item expenses related to this facet of the Zion Decommissioning. The public has advanced it's perspective on this issue repeatedly to front line regulators over the last 6 years in various transcribed meetings. The record shows that the NRC has done nothing to heed or address the public concern on this matter.

Despite Public Written Requests for a Public Meeting on Decommissioning Finances front line regulators thwarted the public's request indicating a lack of budget for such a meeting and have since ignored all formal requests as made at open public meetings such as at the most recent and final License Termination Plan Public Meeting.

As the public sees it, the U.S. Nuclear Regulatory Commission should not be an enabler to the licensee where Decommissioning Trust Funds are concerned and we are demanding you take the appropriate action as outlined in this communication.

Thank you for your service

Sincerely,


Thomas P. Rielly
Executive Principal
Vista 360

ENCL

By U.S. Certified Mail #7016 07050 0000 9709 9848

Ex: A

Zion Station Community Advisory Panel (ZCAP)

Monday, December 8, 2014
6:00 PM
New Tech High / Zion-Benton High School
1634 23rd Street
Zion, IL

Agenda

Call to Order

Approval of September 29, 2014 Meeting Minutes

Chairperson's Remarks

Zion Solutions:

Decommissioning Project Update

Nuclear Regulatory Commission Presentation

Public Comment and Questions

Old Business

New Business

Set 2015 meeting dates

Adjournment

ZCAP ZION STATION COMMUNITY ADVISORY PANEL

MINUTES OF THE MEETING HELD ON DECEMBER 8, 2014 AT THE NEW TECH HIGH/ZION-BENTON HIGH SCHOOL

Present: Brent Paxton, Chairman
John Lewis, Secretary
Craig Dyke
Sheri Jesiel
Cynthia Johnson
Audrey Liddle
Doug Ower
Linda Sittig
Larry Booth

Absent: Joel Brumlik
Craig Mason
Kent McKenzie

Item 1: Call to Order

The Chairman called the meeting to order at 6:00 pm.

Item 2: Approval of Minutes

Motion to approve September 29, 2014 meeting minutes was accepted, seconded and approved by all.

Item 3: Chairman's Remarks

The Chairman gave a friendly reminder to silence all cell phones during the meeting.

Item 4: ZionSolutions Presentations

Decommissioning Status Update
by John Sauger, General Manager

Mr. Sauger gave a slide presentation on the Zion Status.

Disbursements and Balances

ZionSolutions Nuclear Decommission Trust
Balance Roll Forward – Cash Basis
As of September 30, 2014

	(\$ millions)
Beginning Balance	801.4
Earnings – Net of taxes and fees	109.3
Disbursements	(565.8) ✓
Ending Balance	344.9 ✓

Majority of Expenses incurred as follows:

- Project Management
- Procurement of casks and canisters for dry fuel storage
- Spent fuel transfer operations
- Class B&C packaging and disposal
- Class A waste disposal
- Unit 1 and 2 RV internals segmentation
- Unit 1 and 2 containment preparation and support
- Plant maintenance and security
- Asbestos remediation
- Site infrastructure

Item 5: Comments, Questions and Answers

Panel Comment and Questions

Q: Are you currently projecting 2018 as the finish date?

A: 2018 is the date that we will finish all physical work on site at which time we will submit the final paperwork to the NRC. We expect to get everything turned over back to Exelon in 2019.

Q: Are there enough funds in the trust fund to cover the rest of the costs?

A: No, EnergySolutions would write a check to cover any balance.

Q: Could you explain the shortage in the trust fund?

A: When we did the estimate and the new schedule, we also looked at the trust fund performance. The fund has done very well so far. However, going forward we cannot take credit for great performance, we have to take credit for the minimum performance. At this time, with minimum performance, the end of the project shows a gap.

Q: Please explain what a rigging event is.

A: Any time you lose control of a load with a crane and it is swinging, any time you bump into anything, or if you drop a load.

Q: Do the reactor internal lower castings go to Clive by train or truck?

A: These will go out in specially built boxes on trucks.

Q: Is the Class B/C waste transport backlog gone?

A: Yes, we are caught up.

Q: Have all of the spent fuel liners arrived?

A: All but one, which will be here next Wednesday.

NRC Update

Bob Orlikowski, Wayne Slawinski and Matt Learn of the NRC gave an update on their role at Zion now and in the future.

Public Comment and Questions

Q: What does the NRC require for dry transfer?

A: There are no credible instances of a cask breaking. NRC requires the license holder to have the ability to repackage a cask.

Q: What will be public process be for the License Termination Plan?

A: There will be a public meeting 4-6 months after the LTP has been accepted by the NRC. At that time the plan will be available to the public.

Q: What will the NRC and ZCAP do to help have meaningful public participation?

A: NRC will provide staff at the meeting that can explain all the details in a way the public will understand.

Q: Why are the casks only inspected once per year?

A: NRC is on site often and will continue to inspect the site until decommissioning is completed. Thereafter, the site is inspected at least once a year.

Q: Do you (NRC) ever do surprise inspections?

A: We don't do surprise inspections but we do inspections at odd hours.

Q: On the 40-year licensing of the casks – is it 20 +20 or 20 + 40?

A: It is 20 + up to 40.

Q: Are the stainless steel canisters designed to last that long?

A: Yes. The NRC is not aware of any discrepancies.

Q: Is there any history of an actual dry cask transfer back to a pool.

A: There have been several unloading activities back to spent fuel pools.

Q: What happened in the last 60 days to cause the shortage in the trust fund?

A: We did a rebaseline of the schedule since replacing risk with certainty.

Q: What are the NRC funding requirements?

A: The law states that you are required to have sufficient funds to radiologically decommission the site. We have the funds for that.

Q: Who is going to hold the license to this property when the project is complete?
A: The possession license for the fuel storage facility will be transferred to Exelon. Exelon will continue to own the property.

Q: What is the oldest existing dry cask storage system?
A: Approximately 25 years.

Q: What is a reasonable period of time for on-site transfer of a compromised canister?
A: It would depend on the severity of the issue but at this time there is no credible evidence there would be such a scenario.

Q: Have you looked at the San Onofre safety study?
A: The NRC research shows that fuel can be safely stored in one canister for at least 100 years.

Q: Who has the overall financial oversight responsibility for the trust fund?
A: There is an annual audit by an outside auditing firm. Exelon and the NRC also have access to all financial records.

Q: Is there continuous monitoring on the casks?
A: There is no present requirement at this time for this specific type of cask. We are developing an aging management program consistent with NRC and industry guidance.

Item 6: Old Business

None

Item 7: New Business

2015 Meeting Dates were discussed. It was decided to have three scheduled meetings (February 23, June 8, and October 26) with the option to add a fourth if needed.

Item 8: Adjournment

The next scheduled meeting will be February 23, 2015. The Chairman entertained a motion to adjourn the meeting. Motion was carried unanimously by the Panel. The meeting was adjourned at 7:30 pm.



NRC Oversight at Zion Station

December 8, 2014 ✓

Fact Sheet

Zion Station Decommissioning and Site Restoration



Funding the Zion Station Decommissioning and Site Restoration Project

- The Zion Station decommissioning is a commercial project and not a government funded or public works project.
- The Nuclear Regulatory Commission (NRC) is the principal Federal governmental regulatory organization that ZionSolutions is accountable to for employee and public health and safety. ZionSolutions holds two 10 CFR 50 reactor licenses for Zion issued by the NRC for the purpose of the Zion Station decommissioning.
- Nuclear Decommissioning Trusts were established and maintained by Exelon in accordance with Federal Energy Regulatory Commission and NRC regulations.
- The Trusts were funded by ratepayer contributions over the life of the plant.
- The value of the Trusts has grown as the result of investment returns.
- Ratepayer contributions into the Trusts ceased in 2006.
- ZionSolutions acquired the plant from Exelon on September 1, 2010 (excluding the spent fuel, switchyard, and land).
- ZionSolutions assumed the risk and liability to complete the Zion Station decommissioning for the value of the Trusts that were transferred from Exelon to ZionSolutions on September 1, 2010. Ratepayer responsibility for future decommissioning costs was eliminated.
- ZionSolutions additionally provided a \$200 Million Letter of Credit and an easement for disposal of radioactive low-level waste at EnergySolutions' Clive, Utah disposal facility as additional financial assurances for decommissioning.
- The NRC regulates Nuclear Decommissioning Trusts. In accordance with NRC requirements, the Zion Trusts are held by a third party trustee and managed by independent fund managers in compliance with established investment guidelines.
- ZionSolutions must request disbursements from the Trusts only after work has been accomplished. No funds can be withdrawn in advance of performing work.
- The NRC monitors and regulates withdrawals from the Trusts. ZionSolutions may not withdraw funds for any purpose other than prudent decommissioning costs and may not withdraw funds if such withdrawal results in an insufficient amount remaining in the Trusts to reasonably complete any remaining work. Reports and certifications are provided to the NRC periodically per their guidelines.
- ZionSolutions must maintain adequate financial assurances to cover the cost of decommissioning and must report the adequacy of Trusts to the NRC on an annual basis.
- If there are excess trust funds at the completion of the project, the excess funds are transferred back to Exelon (for distribution to ratepayers) along with the NRC licenses, land, and the spent fuel.

Decommissioning activities would create significant economic benefits for the state and the 7-county region in northeastern Illinois. Over the ten years that the project is estimated to take, direct economic activities would generate approximately \$390 million in new economic output, 1,570 man-years of employment, and almost \$150 million in employment compensation throughout the Illinois economy.

For more information:

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Community Purpose Driven Leadership

Vista 360 is a nonprofit volunteer **Public Interest Leadership group** involved with problem solving issues that have a public dimension. We are a 2004 incubated new model of citizen engagement composed of scientists, engineers, business executives and academics who unilaterally and independently engage issues that have a potential impact on the public. We are a substance driven high impact low profile organization.

All volunteer participants are welcome but in essence, we are skills based critical thinkers who bring decades of work history, knowledge capital and life experiences to problem identification, definition, resolution and solution. History demonstrates as credentialed and experienced citizen experts that Vista 360 has made a constructive positive contribution to problem solving complex issues in the public domain where developing or actionable plans come into play.

Since 2007, Vista 360 has been engaged in the License Transfer, Trust Funds Transfer and the Zion Decommissioning & Site Rehabilitation of the Zion Nuclear Power Station (USNRC DPR-39 & DPR-48- a two unit reactor facility) which is an Exelon Corporation asset located on Lake Michigan 48 miles north of Chicago. The new and novel Decommissioning model between Exelon Corporation and Zion Solutions LLC (parent organization, Energy Solution Partners / Energy Solutions) and as reviewed and approved by the U.S. Nuclear Regulatory Commission (May 2009) involves the unprecedented License Transfer to an unregulated entity and previously unlicensed operator and then the multi-year Decommissioning of the Zion Facility using dedicated Decommissioning Trust Funds that have been advanced by the rate paying public in the Northern Illinois utility service area. The Zion Nuclear Power Station Decommissioning Trust Funds had an accrued capital value of \$ 890,000,000 as of July 30th, 2010 which has been drawn down to meet the Decommissioning capital needs of the project.

Transparency, full disclosure and independent project oversight have been ongoing challenges since the conceptual onset of the innovative Decommissioning model which is as of June 2014 in its 46th month. Vista 360 is NOT anti-nuclear, anti-utility, anti-contractor or anti-plan as we understand it. We are pro-public and feel that this segment of the stakeholder universe has been marginalized by the existing system and the operating business model for the project so we have been engaged in all facets of the Zion Decommissioning Project's critical path and regulatory foot print since the onset of project activities. At present, we have accrued 5,015 professional project related public service hours as a purpose driven community service organization and contributor.