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September 14, 2000

**Via Hand Delivery**

U. S. Nuclear Regulatory Commission  
Document Control Desk  
One White Flint North  
11555 Rockville Pike  
Rockville, MD 20852

Re: Perry Nuclear Power Plant, Docket No. 40-440, License No. NPF58  
Davis-Besse Nuclear Power Station, Docket No. 50-346, License No. NPF-3  
Beaver Valley Power Station, Units I & II, Docket Nos. 50-334 & 50-412,  
License No. DPR-66&NPF-73  
Merger of FirstEnergy Corp. and GPU, Inc.

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Ladies and Gentlemen:

In connection with the recently announced merger between FirstEnergy Corp. ("FE") and GPU, Inc. ("GPU"), we are writing to advise you that the completion of this merger will not result in a direct or indirect transfer of control of the operating licenses for the Perry Nuclear Power Plant, the Davis-Besse Nuclear Power Station, and the Beaver Valley Power Station Units 1 and 2. FE will be the surviving corporation in its merger with GPU, and there will be no transfer of control over FE or any of its subsidiaries. After the merger, the Perry, Davis Besse and Beaver Valley nuclear plants will continue to be operated by FirstEnergy Nuclear Operating Company (which will remain unchanged as a wholly-owned subsidiary of FE), and such plants will continue to be owned by wholly-owned subsidiaries of FE,<sup>1</sup> which subsidiaries will also remain unchanged as a result of the merger.

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<sup>1</sup> The FE subsidiary utility owners of Perry are the Cleveland Electric Illuminating Company ("CEI"), Ohio Edison Company ("OE"), the Toledo Edison Company ("TE"), Pennsylvania Power Company ("Penn Power"), and OES Nuclear, Inc. For Davis-Besse, the owning utilities are CEI and TE. The owning utilities for Beaver Valley Unit 1 are Penn Power and OE and for Beaver Valley Unit 2, Penn Power, OE, CEI and TE.

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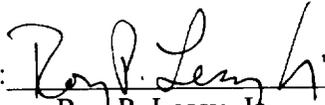
After the merger, pursuant to the Merger Agreement, the board of directors of FE will be comprised of ten members of FE's board and six from GPU's board, and FE's shareholders will retain their common stock. GPU shareholders will receive the equivalent of \$36.50 for each share of GPU common stock they own, payable for each share in FE stock in cash or in FE common stock, subject to certain conditions.

The merger will, however, result in an indirect transfer of control over the possession only licenses for the Three Mile Island Unit No. 2 (License No. DPR-73), and the Saxton Facility (License No. DPR-4) owned and operated by subsidiaries of GPU. GPU Nuclear (a wholly-owned subsidiary of GPU) on its behalf and on behalf of the licensed owners, and FE will be submitting this month a joint application for NRC consent to this indirect transfer of control over the TMI-2 and Saxton possession only licenses.

If you have any questions relative to the above, or request additional information, or disagree with the conclusions in this letter, please contact the undersigned, as soon as possible, at (202) 887-4500, or David R. Lewis, Esquire, of Shaw, Pittman, counsel for GPU, at (202) 663-8474.

Sincerely yours,

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.

By:  \_\_\_\_\_  
Roy P. Lessy, Jr.  
Counsel for FirstEnergy Corp.; FENOC

cc: Regional Administrator, NRC Region I  
Regional Administrator, NRC Region III  
Licensing Project Managers, Perry, Davis-Besse, and Beaver Valley  
Resident Inspectors, Perry, Davis-Besse, and Beaver Valley