

September 4, 1997

Mr. J. E. Cross
President-Generation Group
Duquesne Light Company
Post Office Box 4
Shippingport, PA 15077

SUBJECT: NOTICE OF PROPOSED CORPORATE MERGER OF DQE, INC. AND ALLEGHENY POWER SYSTEM, INC., BEAVER VALLEY POWER STATION, UNIT NOS. 1 AND 2 (TAC NOS. M97439 AND M97440)

Dear Mr. Cross:

Pursuant to 10 CFR 50.80, Duquesne Light Company (DLC) submitted an application dated August 1, 1997, describing the proposed merger of DQE, Inc. (the parent holding company of DLC), and Allegheny Power System, Inc. (Allegheny Power), in which DQE, Inc., will become a wholly owned subsidiary of Allegheny Power. The application requests the consent of the Nuclear Regulatory Commission to allow the indirect transfers of control of DLC's interests in Beaver Valley Power Station, Unit Nos. 1 and 2, that will occur under the proposed merger of DQE, Inc., and Allegheny Power. We are reviewing the information and have requested the Office of the Federal Register to publish the enclosed notice.

Sincerely,

/s/

Donald S. Brinkman, Senior Project Manager
Project Directorate I-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket Nos. 50-334/412

Enclosure: Notice

cc w/encl: See next page

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NAME	DBrinkman:rb	MO'Brien	<i>MO'Brien</i>	JStolz	
DATE	8/20/97	8/20/97	8/22/97	9/15/97	

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

September 4, 1997

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President-Generation Group
Duquesne Light Company
Post Office Box 4
Shippingport, PA 15077

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Sincerely,

A handwritten signature in cursive script that reads "Donald S. Brinkman".

Donald S. Brinkman, Senior Project Manager
Project Directorate I-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket Nos. 50-334/412

Enclosure: Notice

cc w/encl: See next page

J. E. Cross
Duquesne Light Company

Beaver Valley Power Station
Units 1 & 2

cc:

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Shaw, Pittman, Potts & Trowbridge
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Washington, DC 20037

Bureau of Radiation Protection
Pennsylvania Department of
Environmental Resources
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Post Office Box 2063
Harrisburg, PA 17120

Director-Safety and Licensing
Department (BV-A)
Duquesne Light Company
Beaver Valley Power Station
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Shippingport, PA 15077

Mayor of the Borough of
Shippingport
Post Office Box 3
Shippingport, PA 15077

Commissioner Roy M. Smith
West Virginia Department of Labor
Building 3, Room 319
Capitol Complex
Charleston, WVA 25305

Regional Administrator, Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Director, Utilities Department
Public Utilities Commission
180 East Broad Street
Columbus, OH 43266-0573

Resident Inspector
U.S. Nuclear Regulatory Commission
Post Office Box 298
Shippingport, PA 15077

Director, Pennsylvania Emergency
Management Agency
Post Office Box 3321
Harrisburg, PA 17105-3321

Duquesne Light Company
Beaver Valley Power Station
PO Box 4
Shippingport, PA 15077
ATTN: S. C. Jain, Vice President
Nuclear Services (BV-A)

Ohio EPA-DERR
ATTN: Zack A. Clayton
Post Office Box 1049
Columbus, OH 43266-0149

Dr. Judith Johnsrud
National Energy Committee
Sierra Club
433 Orlando Avenue
State College, PA 16803

Duquesne Light Company
Beaver Valley Power Station
PO Box 4
Shippingport, PA 15077
ATTN: R. L. Grand, Division Vice
President, Nuclear Operations Group
and Plant Manager (BV-SOSB-7)

UNITED STATES NUCLEAR REGULATORY COMMISSION
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, THE TOLEDO EDISON COMPANY,
DUQUESNE LIGHT COMPANY
OHIO EDISON COMPANY, AND PENNSYLVANIA POWER COMPANY
BEAVER VALLEY POWER STATION, UNIT NOS. 1 AND 2
NOTICE OF CONSIDERATION OF APPROVAL OF APPLICATION REGARDING
PROPOSED CORPORATE RESTRUCTURING

Notice is hereby given that the United States Nuclear Regulatory Commission (the Commission) is considering approval by issuance of an order under 10 CFR 50.80 of an application concerning a proposed merger between DQE, Inc. and Allegheny Power System, Inc. (Allegheny Power). DQE, Inc. is the parent holding company of Duquesne Light Company (DLC), which holds licenses to possess interests in and to use and operate Beaver Valley Power Station, Unit Nos. 1 and 2 (BVPS-1 and BVPS-2). The Cleveland Electric Illuminating Company, The Toledo Edison Company, and Ohio Edison Company and its subsidiary Pennsylvania Power Company also hold licenses to possess interests in the Beaver Valley Power Station, but are not involved in the proposed merger. By letter dated August 1, 1997, the Commission was informed that DQE, Inc., and Allegheny Power have entered into a merger agreement in which DQE, Inc., will become a wholly owned subsidiary of Allegheny Power. Allegheny Power will be renamed Allegheny Energy, Inc.

According to the application, the merger will have no effect on the operation of BVPS-1 and BVPS-2, or the provisions of their operating licenses. The Cleveland Electric Illuminating Company, The Toledo Edison Company, Ohio Edison Company, and Pennsylvania Power Company will remain licensees responsible for their possessory interests and related obligations. DLC will

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continue to operate BVPS-1 and BVPS-2 after the merger, as required by the operating license. No direct transfer of the license will result from the merger.

Pursuant to 10 CFR 50.80, the Commission may consent to the transfer of control of a license after notice to interested persons. Such consent is contingent upon the Commission's determination that the holder of the license following the transfer is qualified to hold the license and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders of the Commission.

For further details with respect to this proposed action, see the application from DLC dated August 1, 1997. The August 1, 1997, application is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW, Washington, DC 20555, and at the local public document room located at the B.F. Jones Memorial Library, 663 Franklin Avenue, Aliquippa, PA 15001.

Dated at Rockville, Maryland, this 4th day of September 1997.

FOR THE NUCLEAR REGULATORY COMMISSION

Donald S. Brinkman

Donald S. Brinkman, Senior Project Manager
Project Directorate I-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation