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February 12, 1997

By Hand Delivery

Mr. Jon B. Hopkins
Senior Project Manager
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20854

Re: Applications for Consents in Connection with the FirstEnergy Merger
Docket Nos. 50-346, 50-440, 50-334, and 50-412

Dear Mr. Hopkins:

Because of the considerable savings that are expected from the FirstEnergy merger -- over \$1 billion over the next ten years -- the participants in that proposed merger have been and are endeavoring to expedite the various agency approvals to allow consummation of the merger as soon as possible. In this regard, the participants wish to accelerate the NRC consents required in connection with that merger, and to obtain a conditional NRC consent by June 1, rather than by September 1 as stated in the applications filed on December 13.

We recognize that this accelerated schedule may require readjustment of NRC staff priorities. To minimize any added burden on the staff, we are enclosing proposed federal register notices to obtain public comments and allow the staff to move forward with an initial decision. We ask that the NRC publish these notices as soon as possible, so that any issues that need to be addressed can be identified promptly, responded to, and resolved by June 1. Our objective is to obtain by this date the NRC's consent, conditioned on our obtaining other necessary agency approvals, including approval by FERC.

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Mr. Jon B. Hopkins

February 12, 1997

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Please call me or Gerald Charnoff if you have any questions. We appreciate your assistance and attention to this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. Lewis", with a stylized flourish at the end.

David R. Lewis
Counsel for the Licensees

Enclosures

cc: M. Davis

Docket No. 50-346

The Toledo Edison Company, Centerior Service Company, and Cleveland Electric Illuminating Company; Davis Besse Nuclear Power Station; Consideration of Transfer of Control of Ownership of Licensees and Opportunity for Public Comment on Antitrust Issues

Notice is hereby given that the United States Nuclear Regulatory Commission (the Commission) has received an application for consent under 10 C.F.R. 50.80 to the indirect transfer of control of the license for the Davis Besse Nuclear Power Station that would result from the consummation of a proposed merger agreement between Centerior Energy Corporation and Ohio Edison Company. Centerior Energy Corporation is the parent holding company of The Toledo Edison Company, Centerior Service Company, and Cleveland Electric Illuminating Company, which hold the operating license for the Davis Besse Nuclear Power Station. The Toledo Edison Company and Cleveland Electric Illuminating Company are licensed owners of the facility, and The Toledo Edison Company and Centerior Service Company are the licensed operator of the facility.

By letter dated December 13, 1996, these licensees informed Commission that the Centerior Energy Corp. and Ohio Edison have entered into a merger agreement which provides for the formation of a new, single holding company, FirstEnergy Corp. ("FirstEnergy"). Toledo Edison Company, Cleveland Electric

Illuminating Company, and Centerior Service Company will become subsidiaries of FirstEnergy.

The merger will have no effect on the operation of the Davis Besse Nuclear Power Station or the provisions of its operating license. Toledo Edison Company and Centerior Service Company will continue to operate the Davis Besse facility as licensees after the merger, as required by the operating license. Toledo Edison and Cleveland Electric Illuminating Company will remain licensed owners responsible for their obligations as such.

Pursuant to 10 C.F.R. 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.

By this notice, the Commission is seeking public comment on this proposed transfer of control of the license. Written comments may be submitted by mail to the Rules Review and Directives Branch, Division of Freedom of Information and Publication Service, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this Federal Register notice. Copies of written comments received may be

examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW, Washington, DC 20555.

Antitrust Issues

Any person who wishes to submit comments or information relating to any antitrust issues believed to be raised by this transfer request should submit said comments or information within 30 days of the initial publication of this notice in the Federal Register to the U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Chief, Generic Issues and Environmental Projects Branch, Office of Nuclear Reactor Regulation. The Director of the Office of Nuclear Reactor Regulation will issue a finding whether significant changes in the licensees' activities or proposed activities have occurred since the completion of the previous antitrust review.

The staff is aware of and is closely following the proceeding at the Federal Energy Regulatory Commission (FERC) related to FERC approval of the FirstEnergy merger. The NRC's consent to the indirect transfer of control will be conditioned on this FERC approval.

For further details with respect to this proposed action, see the application from The Toledo Edison Company, Centerior Service Company, and Cleveland Electric Illuminating Company, dated December 13, 1996, and letter dated December 18, 1996

providing FirstEnergy's application and open access tariff submittals to FERC. These documents are 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 University of Toledo, William Carlson Library, Government Documents Collection, 2801 West Bancroft Avenue, Toledo, Ohio 43606.

Dated at Rockville, Maryland this __th day of February, 1997.

For the Nuclear Regulatory Commission.

408890-01 / DOCSDC1

Docket No. 50-440

The Cleveland Electric Illuminating Company, Centerior Service Company, The Toledo Edison Company, Ohio Edison Company, OES Nuclear Inc., and Pennsylvania Power Company; Perry Nuclear Power Plant, Unit 1; Consideration of Transfer of Control of Ownership of Licensees and Opportunity for Public Comment on Antitrust Issues

Notice is hereby given that the United States Nuclear Regulatory Commission (the Commission) has received an application for consent under 10 C.F.R. 50.80 to the indirect transfer of control of certain interests in the license for the Perry Nuclear Power Plant, Unit 1, that would result from the consummation of a proposed merger agreement between Centerior Energy Corporation and Ohio Edison Company. Centerior Energy Corporation is the parent holding company of Cleveland Electric Illuminating Company (CEI), Centerior Service Company, and The Toledo Edison Company (Toledo Edison). CEI and Centerior Service Company are licensed to operate the facility, and CEI and Toledo Edison are further licensed to possess certain interests in the facility. Ohio Edison Company and its wholly owned subsidiaries, Pennsylvania Power Company and OES Nuclear, are also licensed to possess certain interests in the facility.

By letter dated December 13, 1996, these licensees informed Commission that the Centerior Energy Corp. and Ohio Edison have entered into a merger agreement which provides for the formation of a new, single holding company, FirstEnergy Corp. ("FirstEnergy"). CEI, Centerior Service Company, Toledo Edison,

and Ohio Edison Company will become subsidiaries of FirstEnergy, and Pennsylvania Power Company and OES Nuclear will remain subsidiaries of Ohio Edison Company.

The merger will have no effect on the operation of the Perry Nuclear Power Plant or the provisions of its operating license. CEI and Centerior Service Company will continue to operate the Perry Plant as licensees after the merger, as required by the operating license. CEI, Toledo Edison, Ohio Edison, Pennsylvania Power Company, and OES Nuclear Inc. will remain licensed owners responsible for their obligations as such.

Pursuant to 10 C.F.R. 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.

By this notice, the Commission is seeking public comment on this proposed transfer of control of the license. Written comments may be submitted by mail to the Rules Review and Directives Branch, Division of Freedom of Information and Publication Service, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this Federal

Register notice. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW, Washington, DC 20555.

Antitrust Issues

Any person who wishes to submit comments or information relating to any antitrust issues believed to be raised by this transfer request should submit said comments or information within 30 days of the initial publication of this notice in the Federal Register to the U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Chief, Generic Issues and Environmental Projects Branch, Office of Nuclear Reactor Regulation. The Director of the Office of Nuclear Reactor Regulation will issue a finding whether significant changes in the licensees' activities or proposed activities have occurred since the completion of the previous antitrust review.

The staff is aware of and is closely following the proceeding at the Federal Energy Regulatory Commission (FERC) related to FERC approval of the FirstEnergy merger. The NRC's consent to the indirect transfer of control will be conditioned on this FERC approval.

For further details with respect to this proposed action, see the application from Cleveland Electric Illuminating Company, Centerior Service Company, The Toledo Edison Company, Ohio Edison

Company, Pennsylvania Power Company, and OES Nuclear Inc., dated December 13, 1996, and letter dated December 18, 1996 providing FirstEnergy's application and open access tariff submittals to FERC. These documents are 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 Perry Public Library, 3753 Main Street, Perry, Ohio 44081.

Dated at Rockville, Maryland this __th day of February, 1997.

For the Nuclear Regulatory Commission.

408969-01 / DOCSDC1

Docket Nos. 50-334 and 50-412

Cleveland Electric Illuminating Company, The Toledo Edison Company, Ohio Edison Company, and Pennsylvania Power Company; Beaver Valley Power Station, Units 1 and 2; Consideration of Transfer of Control of Ownership of Licensees and Opportunity for Public Comment on Antitrust Issues

Notice is hereby given that the United States Nuclear Regulatory Commission (the Commission) has received an application for consent under 10 C.F.R. 50.80 to the indirect transfer of control of certain interests in the licenses for the Beaver Valley Power Station, Units 1 and 2, that would result from the consummation of a proposed merger agreement between Centerior Energy Corporation and Ohio Edison Company. Centerior Energy Corporation is the parent holding company of Cleveland Electric Illuminating Company and The Toledo Edison Company, which hold licenses to possess interests in the Beaver Valley Power Station. Ohio Edison and its subsidiary Pennsylvania Power Company also hold licenses to possess interests in the Beaver Valley Power Station. By letter dated December 13, 1996, these licensees informed the Commission that the Centerior Energy Corp. and Ohio Edison have entered into a merger agreement which provides for the formation of a new, single holding company, FirstEnergy Corp. ("FirstEnergy"). Cleveland Electric Illuminating Company, The Toledo Edison Company, and Ohio Edison Company will become subsidiaries of FirstEnergy, and Pennsylvania Power Company will remain a subsidiary of Ohio Edison.

The merger will have no effect on the operation of Beaver Valley or the provisions of its operating license. 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. Duquesne Light Company, which is not involved in the merger, will continue to operate the Beaver Valley Power Station after the merger, as required by the operating license.

Pursuant to 10 C.F.R. 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.

By this notice, the Commission is seeking public comment on this proposed transfer of control of the license. Written comments may be submitted by mail to the Rules Review and Directives Branch, Division of Freedom of Information and Publication Service, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this Federal Register notice. Copies of written comments received may be

examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW, Washington, DC 20555.

Antitrust Issues

Any person who wishes to submit comments or information relating to any antitrust issues believed to be raised by this transfer request should submit said comments or information within 30 days of the initial publication of this notice in the Federal Register to the U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Chief, Generic Issues and Environmental Projects Branch, Office of Nuclear Reactor Regulation. The Director of the Office of Nuclear Reactor Regulation will issue a finding whether significant changes in the licensees' activities or proposed activities have occurred since the completion of the previous antitrust review.

The staff is aware of and is closely following the proceeding at the Federal Energy Regulatory Commission (FERC) related to FERC approval of the FirstEnergy merger. The NRC's consent to the indirect transfer of control will be conditioned on this FERC approval.

For further details with respect to this proposed action, see the application from Cleveland Electric Illuminating Company, The Toledo Edison Company, Ohio Edison Company, and Pennsylvania Power Company, dated December 13, 1996, and letter dated December

18, 1996 providing FirstEnergy's application and open access tariff submittals to FERC. These documents are 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 __th day of February, 1997.

For the Nuclear Regulatory Commission.

384428-01 / DOCSDC1