



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

November 13, 1986

Docket No. 50-440

Mr. Murray R. Edelman, Vice President
Nuclear Operations Group
The Cleveland Electric Illuminating Company
P.O. Box 5000
Cleveland, Ohio 44101

Dear Mr. Edelman:

SUBJECT: ISSUANCE OF FACILITY OPERATING LICENSE NPF-58 PERRY NUCLEAR POWER
PLANT, UNIT NO. 1

The U.S. Nuclear Regulatory Commission (NRC) has issued the enclosed Facility Operating License NPF-58, together with Technical Specifications and Environmental Protection Plan for the Perry Nuclear Power Plant, Unit No. 1. License No. NPF-58 authorizes operation of the Perry Nuclear Power Plant, Unit No. 1 at reactor power levels not in excess of 3579 megawatts thermal (100% rated power).

Enclosed is a copy of a related notice, the original of which has been forwarded to the Office of the Federal Register for publication.

Six signed copies of Amendment No. 2 to Indemnity Agreement No. B-98 which covers the activities authorized under License No. NPF-58 are also enclosed. Please sign all copies and return one copy to this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert M. Bernero".

Robert M. Bernero, Director
Division of BWR Licensing
Office of Nuclear Reactor Regulation

Enclosures:

1. Facility Operating License NPF-58
2. Federal Register Notice
3. Amendment No. 2 to Indemnity Agreement No. B-98

cc w/enclosures:
See next page

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P PDR

November 13, 1986

Docket No. 50-440

DISTRIBUTION
See next page

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The Cleveland Electric Illuminating Company
P.O. Box 5000
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Office of Nuclear Reactor Regulation

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cc w/enclosures:
See next page

*Previously concurred:

PD#4/LA	PD#4/PM	PD#4/D	DD/DBL	D/DBL
*MO'Brien	*JStefano:lb	*WButler	*RHouston	*RBernero
08/26/86	08/26/86	08/26/86	09/10/86	09/17/86

Mr. Murray R. Edelman
The Cleveland Electric
Illuminating Company

Perry Nuclear Power Plant
Units 1 and 2

cc:
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Shaw, Pittman, & Trowbridge
1800 M Street, N. W.
Washington, D. C. 20006

Mr. James W. Harris, Director
Division of Power Generation
Ohio Department of Industrial
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2323 West 5th Avenue
Post Office Box 825
Columbus, Ohio 43216

Donald H. Hauser, Esq.
The Cleveland Electric
Illuminating Company
P. O. Box 5000
Cleveland, Ohio 44101

The Honorable Lawrence Logan
Mayor, Village of Perry
4203 Harper Street
Perry, Ohio 44081

Resident Inspector's Office
U. S. Nuclear Regulatory Commission
Parmly at Center Road
Perry, Ohio 44081

The Honorable Robert V. Orosz
Mayor, Village of North Perry
North Perry Village Hall
4778 Lockwood Road
North Perry Village, Ohio 44081

Regional Administrator, Region III
U. S. Nuclear Regulatory Commission
799 Roosevelt Road
Glen Ellyn, Illinois 60137

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Department of Attorney General
30 East Broad Street
Columbus, Ohio 43216

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Assistant Prosecuting Attorney
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Painesville, Ohio 44077

Ohio Department of Health
Attn: Radiological Health
Program Director
P. O. Box 118
Columbus, Ohio 43216

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OCRE Interim Representative
8275 Munson
Mentor, Ohio 44060

Planning Coordinator
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Columbus, Ohio 43215

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Ohio Environmental Protection Agency
Division of Planning
Environmental Assessment Section
P. O. Box 1049
Columbus, Ohio 43216

John G. Cardinal, Esq.
Prosecuting Attorney
Ashtabula County Courthouse
Jefferson, Ohio 44047

Mr. Arthur Warren, Chairman
Perry Township Board of Trustees
4169 Main Street
Perry, Ohio 44081

Eileen M. Buzzelli
The Cleveland Electric
Illuminating Company
P. O. Box 97 E-210
Perry, Ohio 44081

Mr. Murray R. Edelman
The Cleveland Electric
Illuminating Company

- 2 -

Perry Nuclear Power Plant
Units 1 and 2

U.S. Environmental Protection Agency
Region V Office
ATTN: EIS Coordinator
230 S. Dearborn Street
Chicago, Illinois 60604

Mr. Bruce Blanchard
Environmental Projects Review
U.S. Department of the Interior
18th & C Streets, N.W. - Room 4256
Washington, D.C. 20240

Defense Mapping Agency Aerospace
Center (ADL)
St. Louis Air Force Station, Missouri 63116

Public Utility Commission of Ohio
Borden Bldg.
180 East Broad St.
Columbus, Ohio 43215

FULL POWER LICENSE FOR PERRY NUCLEAR POWER PLANT, UNIT NO. 1

NPF-58 DATED: November 13, 1986

DISTRIBUTION *(with Tech Specs)

Docket File

NRC PDR*

LPDR

JSaltzman, SP

CWoodhead, OGC

CMiles

HDenton

RVollmer

JRutberg, OGC

WLamb

IDinitz, SP

RDiggs, LFMB

JPartlow*

BGrimes*

EJordan*

LHarmon*

DVassallo, FOB*

BBenedict, FOB*

TBarnhart (4)*

IBailey*

WButler

PD#4 Rdg.

JStefano*

MO'Brien (5)*

RBernero

RHouston

ACRS (10)

EButcher*

NThompson*

PLeech*



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

CLEVELAND ELECTRIC ILLUMINATING COMPANY

DUQUESNE LIGHT COMPANY

OHIO EDISON COMPANY

PENNSYLVANIA POWER COMPANY

TOLEDO EDISON COMPANY

DOCKET NO. 50-440

PERRY NUCLEAR POWER PLANT, UNIT NO. 1

FACILITY OPERATING LICENSE

License No. NPF-58

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for license filed by the Cleveland Electric Illuminating Company* (CEICO) acting on behalf of itself and as agent for the Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and the Toledo Edison Company (licensees) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Perry Nuclear Power Plant, Unit No. 1 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-148 and the application, as amended, the provisions of the Act, and the regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission, (except as exempted from compliance in Section 2.D below);
 - D. There is reasonable assurance: (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I (except as exempted from compliance in Section 2.D. below);

*Cleveland Electric Illuminating Company is authorized to act as agent for Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and the Toledo Edison Company, and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

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- E. The Cleveland Electric Illuminating Company is technically qualified to engage in the activities authorized by this license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
 - F. The licensees have satisfied the applicable provisions of 10 CFR Part 140 "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of this Facility Operating License No. NPF-58, subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.
2. Based on the foregoing findings regarding this facility, the Partial-Initial Decisions issued December 2, 1983 and September 3, 1985 by the Atomic Safety and Licensing Board in regard to this facility (affirmed by ALAB-841 dated July 25, 1986) and pursuant to approval by the Nuclear Regulatory Commission at a meeting on November 7, 1986, Facility Operating License No. NPF-58, which supersedes the license for fuel loading and low power testing, License No. NPF-45, issued on March 18, 1986, is hereby issued to the Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and Toledo Edison Company (the licensees) to read as follows:
- A. The license applies to the Perry Nuclear Power Plant, Unit No. 1, a boiling water nuclear reactor and associated equipment (the facility), owned by the Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and the Toledo Edison Company. The facility is located on the shore of Lake Erie in Lake County, Ohio, approximately 35 miles northeast of Cleveland, Ohio and is described in the licensees' Final Safety Analysis Report, as supplemented and amended, and in the licensees' Environmental Report, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) The Cleveland Electric Illuminating Company (CEICO) pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use and operate the facility at the designated location in Lake County, Ohio, in accordance with the procedures and limitations set forth in this license;

- (2) Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and Toledo Edison Company, to possess the facility at the designated location in Lake County, Ohio, in accordance with the procedures and limitations set forth in this license;
 - (3) CEICO, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;
 - (4) CEICO, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use at any time any byproduct, source and special nuclear material such as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
 - (5) CEICO, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use in amounts as required any byproduct, source or special nuclear material without restriction as to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
 - (6) CEICO, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.
- C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:
- (1) Maximum Power Level
CEICO is authorized to operate the facility at reactor core power levels not in excess of 3579 megawatts thermal (100% power) in accordance with the conditions specified herein.

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, both of which are attached hereto, are hereby incorporated into this license. CEICO shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Antitrust Conditions

Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and the Toledo Edison Company shall comply with the antitrust conditions delineated in Appendix C to this license; Appendix C is hereby incorporated into this license.

(4) Post-Fuel Loading Initial Test Program (Section 14, SSER #3)*

Any changes to the Initial Test Program described in Section 14 of the FSAR made in accordance with the provisions of 10 CFR 50.59 shall be reported in accordance with 50.59(b) within one month of such change.

(5) Inservice Inspection Program (Section 6.6.3, SSER #7)

Within six (6) months after exceeding 5% of rated thermal power, CEICO shall submit the Initial Inservice Inspection Program required by 10 CFR 50.55(a) for the NRC staff's review and approval.

(6) Fire Protection (Section 9.5, SER, SSER #1, 2, 3, 4, 7 and 8)

CEICO shall comply with the following requirements of the fire protection program: CEICO shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report as amended, for the Perry Nuclear Power Plant and as approved in the Safety Evaluation Report (NUREG-0887) dated May 1982 and Supplement Nos. 1 thru 10 thereto, subject to the following provisions:

- a. CEICO may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

*The parenthetical notation following the title of many license conditions denotes the section of the Safety Evaluation Report (SER) and/or its supplements wherein the license condition is discussed.

(7) Detailed Control Room Design Review (Section 18, SSER #10)

CEICO shall implement the remaining activities to complete the Detailed Control Room Design Review and correct all human engineering discrepancies (HED's) identified in Attachment 1. Attachment 1 is hereby incorporated into this license.

(8) Emergency Planning (Section 13.3, SSER #10)

In the event that the NRC finds that the lack of progress in completion of the procedures in the Federal Emergency Management Agency's final rule (44 CFR Part 350) indicates that a major substantive problem exists in achieving or maintaining an adequate state of emergency preparedness, the provisions of 10 CFR 50.54(s)(2) will apply.

(9) TDI Diesel Generator Reliability (Section 9.6.3, SSER #6, 8 & 10)

CEICO shall comply with the requirements identified in Attachment 2 relative to the Transamerica Delaval, Inc., diesel engines. Attachment 2 is hereby incorporated into this license.

- D. CEICO is exempted from: 1) the requirements of Section III.D.2(b)(ii), containment airlock testing requirements, Appendix J to 10 CFR Part 50, due to the special circumstance described in Section 6.2.6 of SER Supplement No. 7 authorized by 10 CFR 50.12(a)(2)(iii); and 2) the requirements of Section IV.F., Full Participation Exercise, of Appendix E to 10 CFR Part 50, due to the special circumstance described in the Exemption, dated November 6, 1986. These exemptions are authorized by law, will not present an undue risk to the public health and safety and are consistent with the common defense and security. The exemptions are hereby granted pursuant to 10 CFR 50.12. With the granting of these exemptions, the facility will operate, to the extent authorized herein, in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission.
- E. CEICO shall fully implement and maintain in effect all provisions of the physical security, guard training and qualification, and safeguards contingency plans previously approved by the Commission and all amendments and revisions to such plans made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Perry Nuclear Power Plant Security Plan," with revisions submitted through May 15, 1986; "Perry Nuclear Power Plant Security Force Training and Qualification Plan," with revisions submitted through August 12, 1986; and "Perry Nuclear Power Plant Safeguards Contingency Plan" (Chapter 8 of the Security Plan), with revisions submitted through May 15, 1986.

- F. Except as otherwise provided in the Technical Specifications or Environmental Protection Plan, CEICO shall report any violations of the requirements contained in Section 2.C of this license in the following manner: initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System with written followup within thirty (30) days in accordance with the procedures described in 10 CFR 50.73(b), (c) and (e).
- G. The licensees shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.
- H. This license is effective as of the date of issuance and shall expire at midnight on March 18, 2026.

FOR THE NUCLEAR REGULATORY COMMISSION



Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Attachments/Appendices:

- 1. Attachments 1 - 2
- 2. Appendix A - Technical Specifications
(NUREG-1204)
- 3. Appendix B - Environmental Protection
Plan
- 4. Appendix C - Antitrust Conditions

Date of Issuance: November 13, 1986

- F. Except as otherwise provided in the Technical Specifications or Environmental Protection Plan, CEICO shall report any violations of the requirements contained in Section 2.C of this license in the following manner: initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System with written followup within thirty (30) days in accordance with the procedures described in 10 CFR 50.73(b), (c) and (e).
- G. The licensees shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.
- H. This license is effective as of the date of issuance and shall expire at midnight on March 18, 2026.

FOR THE NUCLEAR REGULATORY COMMISSION

/s/

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Attachments/Appendices:

- 1. Attachments 1 - 2
- 2. Appendix A - Technical Specifications (NUREG-1204)
- 3. Appendix B - Environmental Protection Plan
- 4. Appendix C - Antitrust Conditions

Date of Issuance: November 13, 1986

PD#4/LAB
MQuisenberry
8/26/86

PD#4/PM
JStefano:lb
8/26/86

P&RAB
WLambe
8/26/86

Dinitz + Saltzman
concerned by
telephone 8/26/86
SP
IDinitz/JSaltzman
8/26/86

OGC
JRutberg
8/27/86

PD#4/D
WButler
8/26/86

DD/DBL
WHouston
9/10/86

D/DBL
RBernero
9/17/86

DD/NBR
RVotmer
11/10/86

D/NBR
HDenton
11/13/86

J. Goldberg
8/28/86
subject to
resolution of
issues raised
by Bernero
letter re emergency
planning.

Suffice

ATTACHMENT 1

TO NPF-58

DETAILED CONTROL ROOM DESIGN REVIEW

Before start of the 100-hour warranty run, CEI shall implement corrections to human engineering discrepancies per commitments in Supplement 2 to the Detailed Control Room Design Review Summary Report, dated May 28, 1986, and in a letter from M. R. Edelman to W. R. Butler, dated August 26, 1986.

Before startup following the first refueling outage, CEI shall implement corrections to human engineering discrepancies per commitments in

- (a) the Detailed Control Room Design Review Summary Report, dated January 10, 1985.
- (b) Supplement 1 to the Detailed Control Room Design Review Summary Report, dated October 14, 1985.
- (c) Revision 1 to Supplement 1 to the Detailed Control Room Design Review Summary Report, dated October 21, 1985.
- (d) Supplement 2 to the Detailed Control Room Design Review Summary Report, dated May 28, 1986.
- (e) The Control Room Validation Summary Report, dated July 11, 1986.
- (f) Errata sheets to Supplement 2 to the Detailed Control Room Review Summary Report, attached to Letter PY-CEI/NRR-0510 L, dated July 29, 1986.

Before startup following the first refueling outage, CEI shall also provide results of the final sound surveys in the control room and at the remote shut-down facilities for NRC review per the commitment in Supplement 1 to the Detailed Control Room Design Review Summary Report, dated October 14, 1985.

Before startup following the second refueling outage, CEI shall complete the augmented verification of human engineering discrepancy corrections implemented after full-power licensing per the commitment in Supplement 2 to the Detailed Control Room Design Review Summary Report, dated May 28, 1986. CEI shall also correct any problems identified by the augmented verification before startup following the second refueling outage per the commitment in a letter from M. R. Edelman to W. R. Butler, dated August 26, 1986.

ATTACHMENT 2

TO NPF-58

TRANSAMERICA DELAVAL, INC. (TDI) DIESEL ENGINE REQUIREMENTS

CEICO shall comply with the following requirements related to the TDI diesel engines:

1. Changes to the maintenance and surveillance program for the TDI diesel engines, as identified and approved by the NRC staff in the supplemental safety evaluation report in the letter dated November 5, 1985, shall be subject to the provisions of 10 CFR 50.59.
2. Crankshafts shall be inspected as follows:

The oil holes and fillets of the three main bearing journals subject to the highest torsional stresses (Nos. 4, 6, 8) shall be examined with fluorescent liquid penetrant and, as necessary, eddy current, during the one-time 5 year and each 10 year major disassembly. The same inspections on oil holes and fillets shall be performed on at least three crankpin journals between journals 3 and 8.

3. Cylinder blocks shall be inspected at intervals calculated using the cumulative damage index (CDI) model and using inspection methodologies described by Failure Analysis Associates, Inc., (FaAA) in the report entitled "Design Review of TDI R-4 Series Emergency Diesel Generator Cylinder Blocks" (FaAA-84-9-11) dated December 1984. Liquid penetrant inspection of the cylinder liner landing area shall be performed any time liners are removed.
4. The engines shall be rolled over with the airstart system and the cylinder stopcocks open prior to any planned starts, unless that start occurs within 4 hours of a shutdown. The engines shall also be rolled over with the airstart system and the cylinder stopcocks open after 4 hours, but no more than 8 hours after engine shutdown and then rolled over once again approximately 24 hours after each shutdown. In the event an engine is removed from service for any reason other than the rolling over procedure prior to expiration of the 8 hour or 24 hour periods noted above, that engine need not be rolled over while it is out of service. The licensee shall air roll the engine over with the stopcocks open at the time it is returned to service. The origin of any water detected in the cylinders must be determined and any cylinder head which leaks due to a crack shall be replaced. No cylinder heads that contain a through-wall weld repair where the repair was performed from one side only shall be used on the engines.
5. If inspection of either TDI engine reveals cracks in the crankshaft or in the cylinder block between stud holes of adjacent cylinders, this condition shall be reported promptly to the NRC staff and the affected engine(s) shall be considered inoperable. The engines shall not be restored to "operable" status until the proposed disposition and/or corrective actions have been approved by the NRC staff.

APPENDIX C

PERRY NUCLEAR POWER PLANT, UNIT NO. 1

NPF-58

ANTITRUST CONDITIONS

FOR

CLEVELAND ELECTRIC ILLUMINATING COMPANY

DUQUESNE LIGHT COMPANY

OHIO EDISON COMPANY

PENNSYLVANIA POWER COMPANY

TOLEDO EDISON COMPANY

- A. The licensees are subject to the following antitrust conditions:

Definitions

Applicants shall mean the five companies listed above.

Entity shall mean any electric generation and/or distribution system or municipality or cooperative with a statutory right or privilege to engage in either of these functions.

Wheeling shall mean transportation of electricity by a utility over its lines for another utility, including the receipt from and delivery to another system of like amounts but not necessarily the same energy. Federal Power Commission, The 1970 National Power Survey, Part 1, p. I-24-8.

Licensing Conditions

- (1) Applicants shall not condition the sale or exchange of wholesale power or coordination services upon the condition that any other entity:
 - (a) enter into any agreement or understanding restricting the use of or alienation of such energy or services to any customers or territories;
 - (b) enter into any agreement or understanding requiring the receiving entity to give up any other power supply alternatives or to deny itself any market opportunities;
 - (c) withdraw any petition to intervene or forego participation in any proceeding before the Nuclear Regulatory Commission or refrain from instigating or prosecuting any antitrust action in any other forum.

- (2) Applicants, and each of them, shall offer interconnections upon reasonable terms and conditions at the request of any other electric entity(ies) in the Combined CAPCO Company Territories (CCCT), such interconnection to be available (with due regard for any necessary and applicable safety procedures) for operation in a closed-switch synchronous operating mode if requested by the interconnecting entity(ies). Ownership of transmission lines and switching stations associated with such interconnection shall remain in the hands of the party funding the interconnection subject, however, to any necessary safety procedures relating to disconnection facilities at the point of power delivery. Such limitations on ownership shall be the least necessary to achieve reasonable safety practices and shall not serve to deprive purchasing entities of a means to effect additional power supply options.
- (3) Applicants shall engage in wheeling for and at the request of other entities in the CCCT:
 - (a) of electric energy from delivery points of Applicants to the entity(ies); and,
 - (b) of power generated by or available to the other entity, as a result of its ownership or entitlements* in generating facilities, to delivery points of Applicants designated by the other entity.

Such wheeling services shall be available with respect to any unused capacity on the transmission lines of Applicants, the use of which will not jeopardize Applicants' system. In the event Applicants must reduce wheeling services to other entities due to lack of capacity, such reduction shall not be effected until reductions of at least 5 percent have been made in transmission capacity allocations to other Applicants in these proceedings and thereafter shall be made in proportion to reductions** imposed upon other Applicants to this proceeding.

* "Entitlement" includes but is not limited to power made available to an entity pursuant to an exchange agreement.

** The objective of this requirement is to prevent the pre-emption of unused capacity on the lines of one Applicant by other Applicants or by entities the transmitting Applicant deems noncompetitive. Competitive entities are to be allowed the opportunity to develop bulk power services options even if this results in re-allocation of CAPCO (Central Area Power Coordination Group) transmission channels. This relief is required in order to avoid prolongation of the effects of Applicants' illegally sustained dominance.

Applicants shall make reasonable provisions for disclosed transmission requirements of other entities in the CCCT in planning future transmission either individually or within the CAPCO grouping. By "disclosed" is meant the giving of reasonable advance notification of future requirements by entities utilizing wheeling services to be made available by Applicants.

- (4) (a) Applicants shall make available membership in CAPCO to any entity in the CCCT with a system capability of 10 Mw or greater;
- (b) A group of entities with an aggregate system capability of 10 Mw or greater may obtain a single membership in CAPCO on a collective basis;*
- (c) Entities applying for membership in CAPCO pursuant to License Condition 4 shall become members subject to the terms and conditions of the CAPCO Memorandum of Understanding of September 14, 1967, and its implementing agreements; except that new members may elect to participate on an equal percentage of reserve basis rather than a P/N allocation formula for a period of twelve years from date of entrance.** Following the twelfth year of entrance, new members shall be expected to adhere to such allocation methods as are then employed by CAPCO (subject to equal opportunity for waiver or special consideration granted to original CAPCO members which then are in effect).

* E.g., Wholesale Customer of Ohio Edison (WCOE).

** The selection of the 12-year period reflects our determination that an adjustment period is necessary since the P/N formula has a recognized effect of discriminating against small systems and forcing them to forego economies of scale in generation in order to avoid carrying excessive levels of reserves. We also found the P/N is not entirely irrational as a method of reserve allocation. We have observed that Applicants themselves provided adjustment periods and waivers to integrate certain Applicants into the CAPCO reserve requirement program. The 12-year period should permit new entrants to avoid initial discrimination but to accommodate and adjust to the CAPCO system over some reasonable period of time. Presumably new entrants will be acquiring ownership shares and entitlements during the 12-year period so that adverse consequences of applying the P/N formula will be mitigated.

- (d) New members joining CAPCO pursuant to this provision of relief shall not be entitled to exercise voting rights until such time as the system capability of the joining member equals or exceeds the system capability of the smallest member of CAPCO which enjoys voting rights.*
- (5) Applicants shall sell maintenance power to requesting entities in the CCCT upon terms and conditions no less favorable than those Applicants make available: (a) to each other either pursuant to the CAPCO agreements or pursuant to bilateral contract; or (b) to non-Applicant entities outside the CCCT.
- (6) Applicants shall sell emergency power to requesting entities in the CCCT upon terms and conditions no less favorable than those Applicants make available: (a) to each other either pursuant to the CAPCO agreements or pursuant to bilateral contract; or (b) to non-Applicant entities outside the CCCT.
- (7) Applicants shall sell economy energy to requesting entities in the CCCT, when available, on terms and conditions no less favorable than those available: (a) to each other either pursuant to the CAPCO agreements or pursuant to bilateral contract; or (b) to non-Applicant entities outside the CCCT.
- (8) Applicants shall share reserves with any interconnected generation entity in the CCCT upon request. The requesting entity shall have the option of sharing reserves on an equal percentage basis or by use of the CAPCO P/N allocation formula or on any other mutually agreeable basis.
- (9) (a) Applicants shall make available to entities in the CCCT access to the Davis-Besse 1, 2 and 3 and the Perry 1 and 2 nuclear units and any other nuclear units for which Applicants or any of them, shall apply for a construction permit or operating license during the

* Our objective is to prevent impediments to the operation and development of an area-wide power pool through the inability of lesser entities to respond timely or to make necessary planning commitments. While we grant new member entities the opportunity to participate in CAPCO it is not our intent to relieve joining entities of responsibilities and obligations necessary to the successful operation of the pool. For those smaller entities which do not wish to assume the broad range of obligations associated with CAPCO membership we have provided for access to bulk power service options which will further their ability to survive and offer competition in the CCCT.

next 25 years. Such access, at the option of the requesting entity, shall be on an ownership share, or unit participation or contractual pre-purchase of power basis.* Each requesting entity (or collective group of entities) may obtain up to 10% of the capacity of the Davis-Besse and Perry Units and 20% of future units (subject to the 25-year limitation) except that once any entity or entities have contracted for allocations totaling 10% or 20%, respectively, no further participation in any given units need be offered.

- (b) Commitments for the Davis-Besse and Perry Units must be made by requesting entities within two years after this decision becomes final. Commitments for future units must be made within two years after a construction permit application is filed with respect to such a unit (subject to the 25-year limitation) or within two years after the receipt by a requesting entity of detailed written notice of Applicants' plans to construct the unit, whichever is earlier; provided, however, that the time for making the commitment shall not expire until at least three months after the filing of the application for a construction permit. Where an Applicant seeks to operate a nuclear plant with respect to which it did not have an interest at the time of filing the application for the construction permit, the time periods for commitments shall be the same except that reference should be to the operating license, not the construction permit.

- (10) Applicants shall sell wholesale power to any requesting entity in the CCCT, in amounts needed to meet all or part of such entity's requirements. The choice as to whether the agreement should cover all or part of the entity's requirements should be made by the entity, not the Applicant or Applicants.

* Requesting entities' election as to the type of access may be affected by provisions of State law relating to dual ownership of generation facilities by municipalities and investor-owned utilities. Such laws may change during the period of applicability of these conditions. Accordingly, we allow requesting entities to be guided by relevant legal and financial considerations (including Commission regulations on nuclear power plant ownership) in fashioning their requests.

- (11) These conditions are intended as minimum conditions and do not preclude Applicants from offering additional wholesale power or coordination services to entities within or without the CCCT. However, Applicants shall not deny wholesale power or coordination services required by these conditions to non-Applicant entities in the CCCT based upon prior commitments arrived at in the CAPCO Memorandum of Understanding or implementing agreements. Such denial shall be regarded as inconsistent with the purpose and intent of these conditions.

The above conditions are to be implemented in a manner consistent with the provisions of the Federal Power Act and all rates, charges or practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.

UNITED STATES NUCLEAR REGULATORY COMMISSION
CLEVELAND ELECTRIC ILLUMINATING COMPANY
DUQUESNE LIGHT COMPANY
OHIO EDISON COMPANY
PENNSYLVANIA POWER COMPANY
AND
TOLEDO EDISON COMPANY
DOCKET NO. 50-440
PERRY NUCLEAR POWER PLANT, UNIT NO. 1
NOTICE OF ISSUANCE OF FACILITY OPERATING LICENSE

Notice is hereby given that the U. S. Nuclear Regulatory Commission (the Commission or NRC), has issued Facility Operating License No. NPF-58 to the Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and the Toledo Edison Company (licensees) which authorizes operation of the Perry Nuclear Power Plant, Unit No. 1 (the facility), at reactor core power levels not in excess of 3579 megawatts thermal (100 percent rated power) in accordance with the provisions of the License, the Technical Specifications and the Environmental Protection Plan. The issuance of this License was approved by the Nuclear Regulatory Commission at a meeting on November 7, 1986, and supersedes the license for fuel loading and low power testing, License NPF-45 issued on March 18, 1986.

The Perry Nuclear Power Plant, Unit No. 1, is a boiling water reactor located near Lake Erie in Lake County, Ohio, approximately 35 miles northeast of Cleveland, Ohio.

The License is effective as of the date of issuance. The application for the License complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations. The Commission has made appropriate findings as required by the Act and the Commission's regulations in 10 CFR Chapter I, which are set forth in the License. Prior public notice of the overall action involving the proposed issuance of an operating license was published in the Federal Register on February 13, 1981 (46 FR 12372).

The Commission has determined that the issuance of this License will not result in any environmental impacts other than those evaluated in the Final Environmental Statement since the activity authorized by the License is encompassed by the overall action evaluated in the Final Environmental Statement.

For further details with respect to this action, see (1) Facility Operating License No. NPF-58, with Technical Specifications (NUREG-1204) and the Environmental Protection Plan; (2) the reports of the Advisory Committee on Reactor Safeguards, dated July 13, 1982 and March 17, 1986; (3) the Commission's Safety Evaluation Report, dated May 1982 (NUREG-0887), and Supplements 1 through 10; (4) the Final Safety Analysis Report and Amendments thereto; (5) the Environmental Report and supplements thereto; and (6) the Final Environmental Statement, dated August 1982 (NUREG-0884).

These items are available for inspection at the Commission's Public Document Room, 1717 H Street, N. W., Washington, D. C. 20555, and at the Perry Public Library, 3753 Main Street, Perry, Ohio 44081. A copy of Facility Operating License No. NPF-58 may be obtained upon request addressed to the U. S. Nuclear Regulatory Commission, Washington, D. C. 20555, Attention: Director,

Division of BWR Licensing. Copies of the Safety Evaluation Report and its Supplements 1 through 10 (NUREG-0887) and the Final Environmental Statement (NUREG-0884) may be purchased at current rates from the National Technical Information Service, Department of Commerce, 5285 Port Royal Road, Springfield, Virginia 22161, or may be ordered by calling (202) 275-2060 or (202) 275-2171 or by writing to the Superintendent of Documents, U. S. Government Printing Office, Post Office Box 37082, Washington, D. C. 20013-7082. All orders should clearly identify the NRC publication number and the requesters GPO deposit account, or VISA or MasterCard number and expiration date.

Dated at Bethesda, Maryland this 13th day of November 1986.

FOR THE NUCLEAR REGULATORY COMMISSION



Walter R. Butler, Director
BWR Project Directorate No. 4
Division of BWR Licensing



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

Docket Nos. 50-440

AMENDMENT TO INDEMNITY AGREEMENT NO. B-98
AMENDMENT NO. 2

Effective Nov 13 '86 , Indemnity Agreement No. B-98, between Cleveland Electric Illuminating Company, Toledo Edison Company, Ohio Edison Company, Duquesne Light Company and Pennsylvania Power Company, and the Nuclear Regulatory Commission, dated March 7, 1985, as amended, is hereby further amended as follows:

Item 3 of the Attachment to the indemnity agreement is deleted in its entirety and the following substituted therefor:

Item 3 - License number or numbers

- SNM-1928 (From 12:01 a.m., March 7, 1985 to 12 midnight, March 17, 1986, inclusive)
- NPF-45 (From 12:01 a.m., March 18, 1986 to 12 midnight, November 12, 1986 inclusive)
- NPF-58 (From 12:01 a.m., Nov. 13, 1986)

FOR THE U. S. NUCLEAR REGULATORY COMMISSION

Darrel Nash

Darrel Nash, Acting Assistant Director
State and Licensee Relations
Office of State Programs

Accepted _____, 1986

By CLEVELAND ELECTRIC ILLUMINATING COMPANY

Accepted _____, 1986

By OHIO EDISON COMPANY

Accepted _____,

By PENNSYLVANIA POWER COMPANY

Accepted _____, 1986

By TOLEDO EDISON COMPANY

Accepted _____, 1986

By DUQUESNE LIGHT COMPANY