



FirstEnergy Nuclear Operating Company

76 South Main Street
Akron, Ohio 44308

Gary R. Leidich
President and Chief Nuclear Officer

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July 15, 2005
L-05-118
Serial Number 3168
PY-CEI/NRR-2889L

10 CFR 50.80
10 CFR 50.90
10 CFR 2.1315

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D.C. 20555

Re: Beaver Valley Power Station, Unit Nos. 1 & 2, Docket Nos. 50-334 & 50-412
Davis-Besse Nuclear Power Station, Unit No. 1, Docket No. 50-346
Perry Nuclear Power Plant, Unit No. 1, Docket No. 50-440
Supplemental Information Regarding an Application for Order Consenting to
Transfer of Licenses and Approving Conforming License Amendments

On May 18, 2005, the FirstEnergy Nuclear Operating Company ("FENOC") acting as agent for and on behalf of FirstEnergy Nuclear Generation Corp. ("FENGenCo") and Pennsylvania Power Company ("Penn Power"), submitted an application to the Nuclear Regulatory Commission ("NRC"). The submittal (letter Beaver Valley L-05-080 and Perry PY-CEI/NRR-2880L) requested an order consenting to the transfer of Penn Power's 65 percent undivided ownership interest in Beaver Valley Power Station, Unit No. 1 ("BVPS 1"), 13.74 percent undivided ownership interest in Beaver Valley Power Station, Unit No. 2 ("BVPS 2" and together with BVPS 1, "BVPS 1 & 2"), and 5.24 percent undivided ownership interest in Perry Nuclear Power Plant, Unit No. 1 ("Perry") to FENGenCo.

On June 1, 2005, FENOC acting as agent for and on behalf of FENGenCo, Ohio Edison Company ("Ohio Edison"), OES Nuclear, Inc. ("OES Nuclear"), The Cleveland Electric Illuminating Company ("Cleveland Electric"), and The Toledo Edison Company ("Toledo Edison"), submitted an application to the NRC requesting consent to the transfer of ownership interests involving BVPS 1 & 2, Perry, and Davis-Besse Nuclear Power Station, Unit No. 1 ("Davis-Besse"). The submittal (letter Beaver Valley L-05-0100, Davis-Besse Serial Number 3156, and Perry PY-CEI/NRR-2886L) requested an order consenting to the following transfers from Ohio Edison, OES Nuclear, Toledo Edison, and Cleveland Electric to FENGenCo:

1. Ohio Edison's 35 percent undivided ownership interest in BVPS 1 and 20.22 percent undivided ownership interest in BVPS 2;
2. OES Nuclear's 17.42 percent undivided ownership interest in Perry;
3. Cleveland Electric's 24.47 percent undivided ownership interest in BVPS 2, 44.85 percent undivided ownership interest in Perry, and 51.38 percent undivided ownership interest in Davis-Besse; and
4. Toledo Edison's 1.65 percent undivided ownership interest in BVPS 2, 19.91 percent undivided ownership interest in Perry, and 48.62 percent undivided ownership interest in Davis-Besse.

AOB1

No transfer or other change is requested with respect to Ohio Edison's license to possess its 21.66 percent leased interest in BVPS 2 and 12.58 percent leased interest in Perry, nor with respect to Toledo Edison's license to possess its 18.26 percent leased interest in BVPS 2. Ohio Edison and Toledo Edison will remain responsible for their respective obligations under the licenses for these leased interests.

Both submittals also requested conforming administrative license amendments to the BVPS, Perry, and Davis-Besse licenses to reflect the aforementioned changes.

The purpose of this letter is to inform the NRC of two changes to the applications. The first change is a revision to the Davis-Besse Operating License marked-up pages included in the June 1, 2005 application. An administrative clarification is being made to Page 6 of the originally submitted pages. The No Significant Hazards Consideration Determination (NSHC) contained in the June 1, 2005 submittal was reviewed with respect to the proposed clarification, and no changes to the NSHC are required. Enclosure 2 provides the marked up page with the proposed clarification. This page replaces the Page 6 provided within the original application.

The second change is that FENGenCo will not be an Exempt Wholesale Generator (EWG) and now will be a direct, first-tier subsidiary of FirstEnergy Corp. FENGenCo as an EWG and its organizational structure was described in both the May 18, 2005 and June 1, 2005 applications. This change will not alter any of the qualifications of FENGenCo to own any of the requested ownership interests. The Foreign Ownership or Control analyses remain the same because the publicly traded parent has not changed. The Financial Qualifications sections are not affected because: (1) FENGenCo and First Energy (FE) Solutions still will enter into the Power Supply Agreement previously described; (2) Exhibit H of each application shows that FE Solutions will generate sufficient revenue to cover its obligations to FENGenCo pursuant to the Power Supply Agreement; and (3) FirstEnergy Corp. was and is entering into a financial support agreement with FENGenCo. Finally, the Decommissioning Funding Assurance also is not affected because: (1) FirstEnergy Corp. provided and will continue to provide a parent guarantee as part of the May 18, 2005 application; and (2) no parent guarantee was required in the June 1, 2005 application. Accordingly, the above stated changes regarding FENGenCo will not affect any of the qualifications discussed in either application. Enclosures 3 and 4 provide revisions to each application's organizational charts.

Finally, as a clarification to the description of the FirstEnergy Fossil Generation Corp. ("Fossil GenCo") presented in both applications, the Fossil GenCo, though incorporated, is not yet an operational entity. Furthermore, the Fossil GenCo also may not be an EWG, and also may be a direct, first-tier subsidiary rather than an indirect second tier subsidiary. The information about the Fossil GenCo was provided as background information. Accordingly, how the Fossil GenCo is ultimately organized is not relevant to NRC approval of the requested transfer.

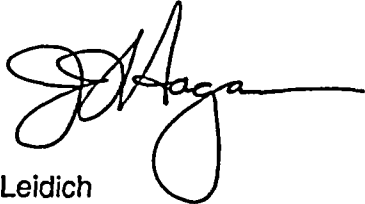
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Enclosure 1 contains an Affirmation Statement for this submittal. Enclosure 5 provides a listing of Regulatory Commitments.

Service upon FENOC of comments, hearing requests, intervention petitions or other pleadings should be made to David W. Jenkins, Esq., FirstEnergy Corp., 76 South Main Street, Mail Stop A-GO-18, Akron, OH 44308, tel: (330) 384-5037, and email: djenkins@firstenergycorp.com.

If additional information is required, please contact Mr. Gregory H. Halnon, FENOC Director, Regulatory Affairs, FirstEnergy Nuclear Operating Company, 395 Ghent Road, A-GHE-315, Akron, OH 44333, tel: (330) 315-7500, and email: ghalnon@firstenergycorp.com.

Sincerely,



for Gary R. Leidich
President and Chief Nuclear Officer
FirstEnergy Nuclear Operating Company

Enclosures:

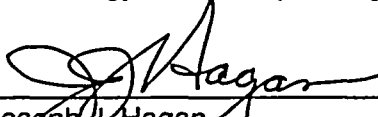
1. Affirmation of Joseph J. Hagan
2. Revised Davis-Besse Operating License Marked Up Page
3. Revised Exhibits C and D of the May 18, 2005 Application
4. Revised Exhibits C and D of the June 1, 2005 Application
5. Regulatory Commitments

cc: Director, NRR
NRC Region 1 Administrator
NRC Region 3 Administrator
Beaver Valley NRC Project Manager
Davis-Besse NRC Project Manager
Perry NRC Project Manager
Beaver Valley NRC Senior Resident Inspector
Davis-Besse NRC Senior Resident Inspector
Perry NRC Senior Resident Inspector
D.A. Allard, Director BRP/DEP
L.E. Ryan, BRP/DEP
N. Dragani, Executive Director, Ohio Emergency Management Agency, State of Ohio (NRC Liaison)
Utility Radiological Review Board

Affirmation

I, Joseph J. Hagan, being duly sworn, state that I am the Senior Vice President of Operations and Chief Operating Officer of the First Energy Nuclear Operating Company ("FENOC"), that I am authorized to sign and file this application with the Nuclear Regulatory Commission on behalf of FENOC and its affiliates, and that the statements made and the matters set forth herein pertaining to FirstEnergy, FENOC and their affiliates are true and correct to the best of my knowledge, information, and belief.

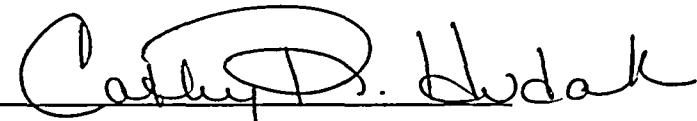
FirstEnergy Nuclear Operating Company



Joseph J. Hagan
Senior Vice President of Operations
and Chief Operating Officer

STATE OF Ohio
COUNTY OF Summit

Subscribed and sworn to before me, a Notary Public, in and for the County and State above named, this 15th day of July, 2005.



Cathy Hudak

My Commission Expires: _____

CATHY HUDAK
Notary Public
State of Ohio
My Commission Expires Oct. 17, 2007



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2.C(4) Fire Protection

FENOC shall implement and maintain in effect all provisions of the approved Fire Protection Program as described in the Updated Safety Analysis Report and as approved in the SERS dated July 26, 1979, and May 30, 1991, subject to the following provision:

FENOC 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.

- (5) FENOC shall maintain in effect and implement a secondary water chemistry monitoring program to inhibit steam generator tube degradation. The program shall include:
- (a) Identification of a sampling schedule for the critical parameters and control points for these parameters;
 - (b) Identification of the procedures used to quantify parameters that are critical to control points;
 - (c) Identification of process sampling points;
 - (d) Procedure for the recording and management of data;
 - (e) Procedures defining corrective actions for off control point chemistry conditions; and
 - (f) A procedure identifying the authority responsible for the interpretation of the data, and the sequence and timing of administrative events required to initiate corrective action.

(6) Antitrust Conditions

FENOC and FirstEnergy Nuclear Generation Corp. shall comply with the antitrust conditions delineated in Condition 2.E of this license as if named therein. FENOC shall not market or broker power or energy from the Davis-Besse Nuclear Power Station, Unit No. 1. ~~The Owners are~~ FirstEnergy Nuclear Generation Corp. is responsible and accountable for the actions of FENOC to the extent that said actions affect the marketing or brokering of power or energy from the Davis-Besse Nuclear Power Station, Unit No. 1, and in any way, contravene the antitrust license conditions contained in the license.

Amendment No. 15, 47, 174, 228
DEC 21, 1998
effective as of January 1, 1999

Enclosure 3
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**Revised Exhibits C and D
to the May 18, 2005 Application**

EXHIBIT C

Simplified Corporate Ownership Structure Before Transfer

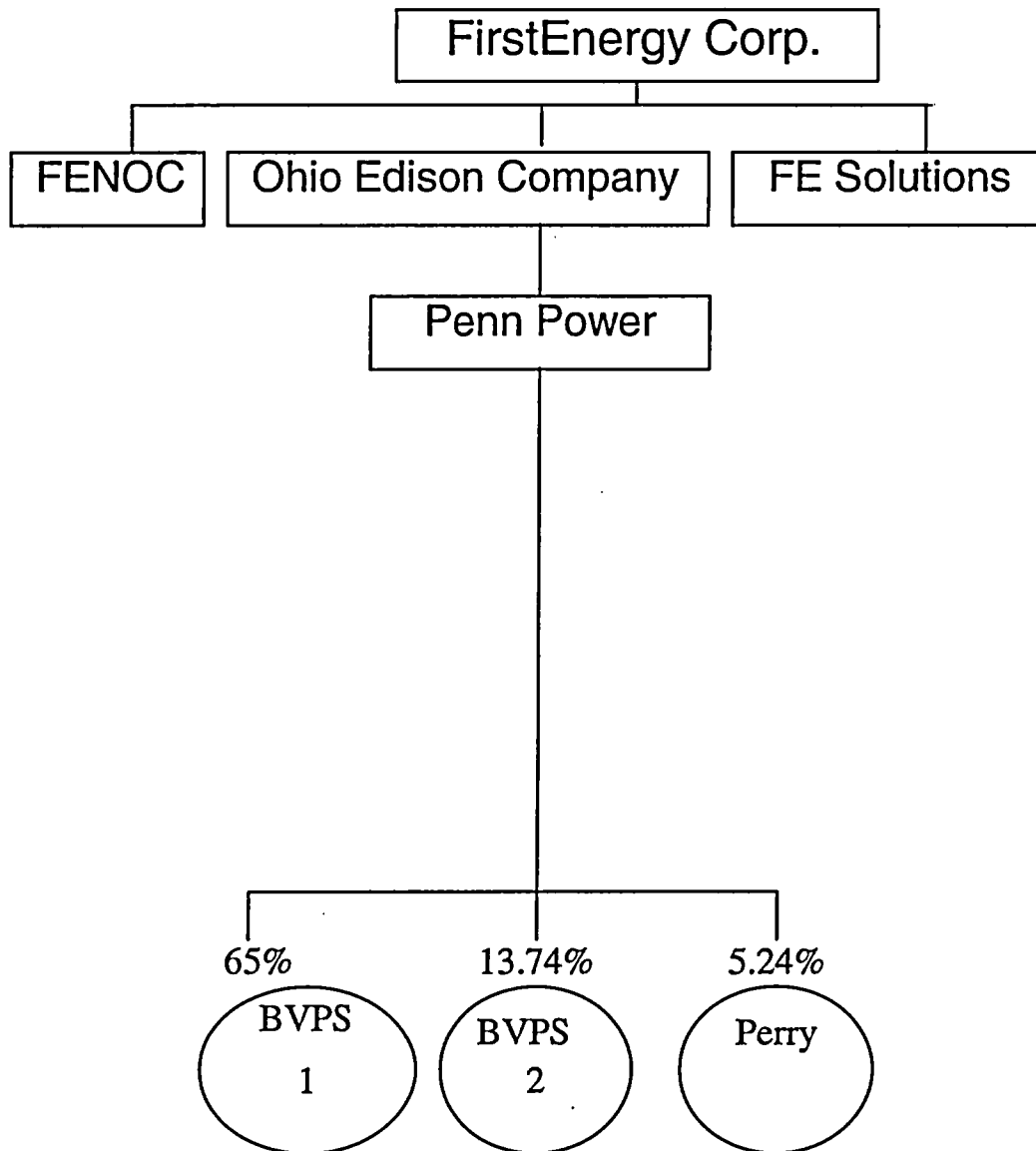
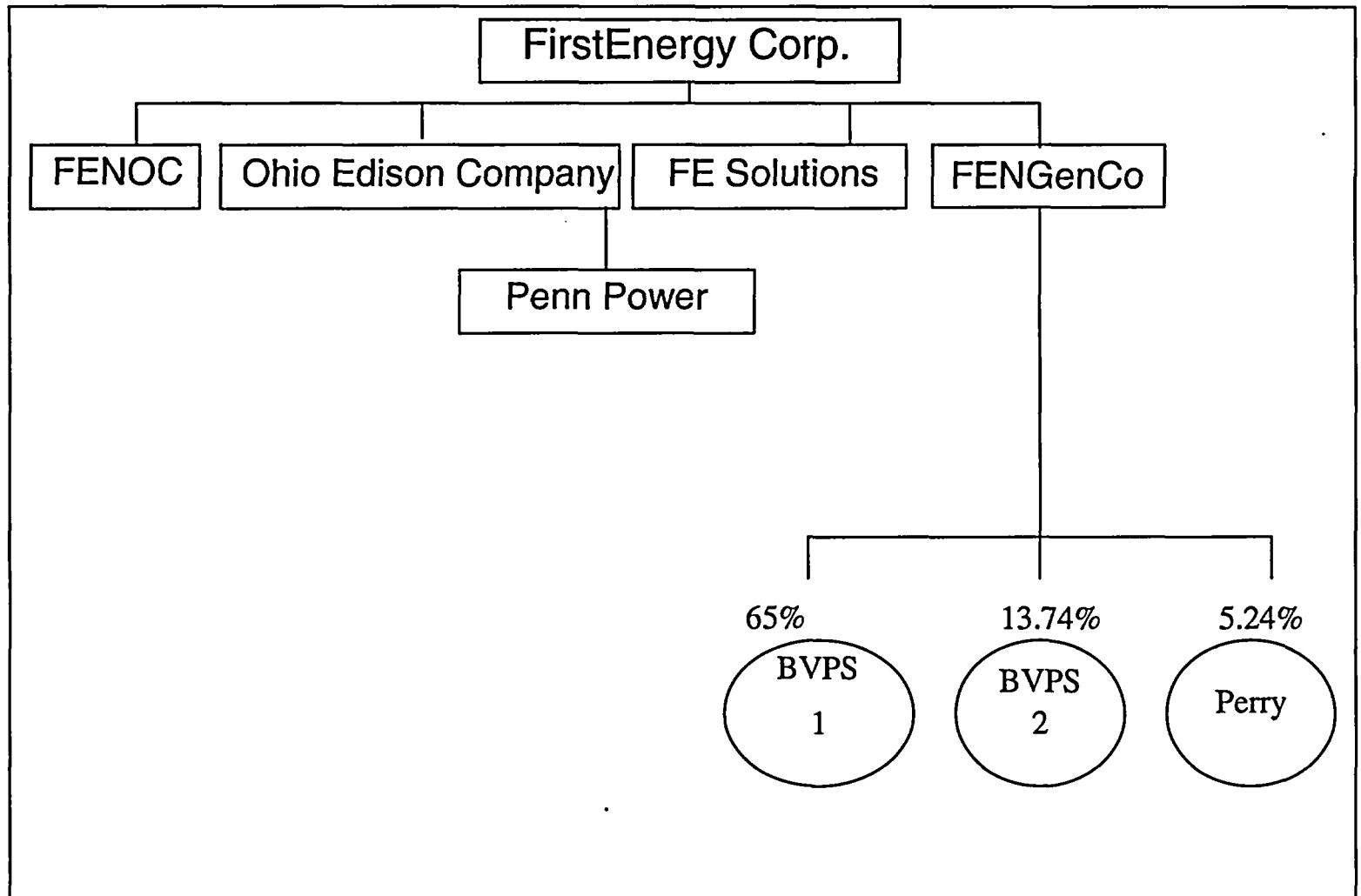


EXHIBIT D

Simplified Corporate Ownership Structure After Transfer



**Revised Exhibits C and D
to the June 1, 2005 Application
(Assumes the Transfer Associated with the May 18, 2005
Application has been Completed)**

EXHIBIT C
ATTACHMENT 1
Simplified Corporate Licensed Interest (Ownership and Leased) Structure Before Transfer

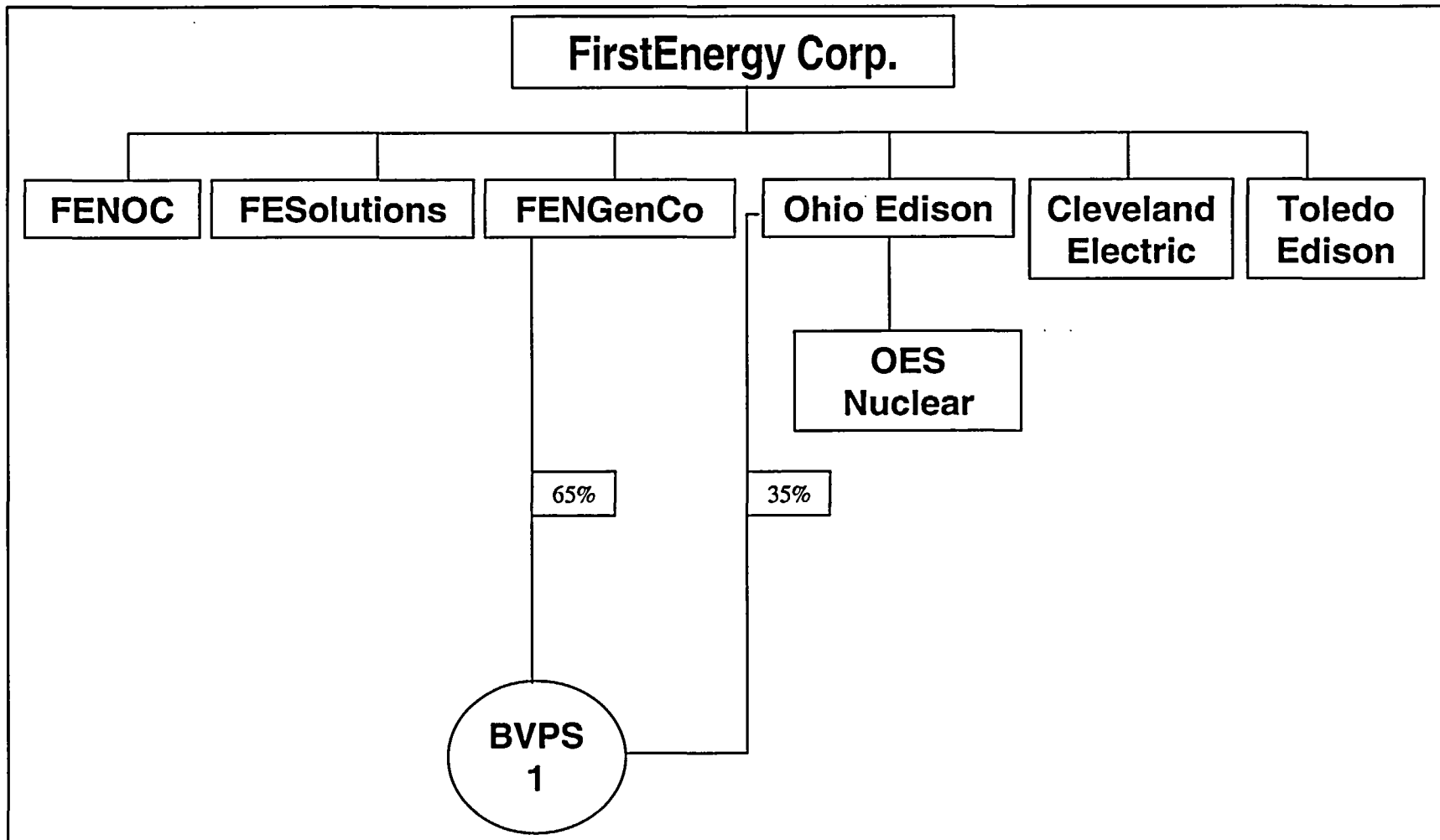


EXHIBIT C
ATTACHMENT 2
Simplified Corporate Licensed Interest (Ownership and Leased) Structure Before Transfer

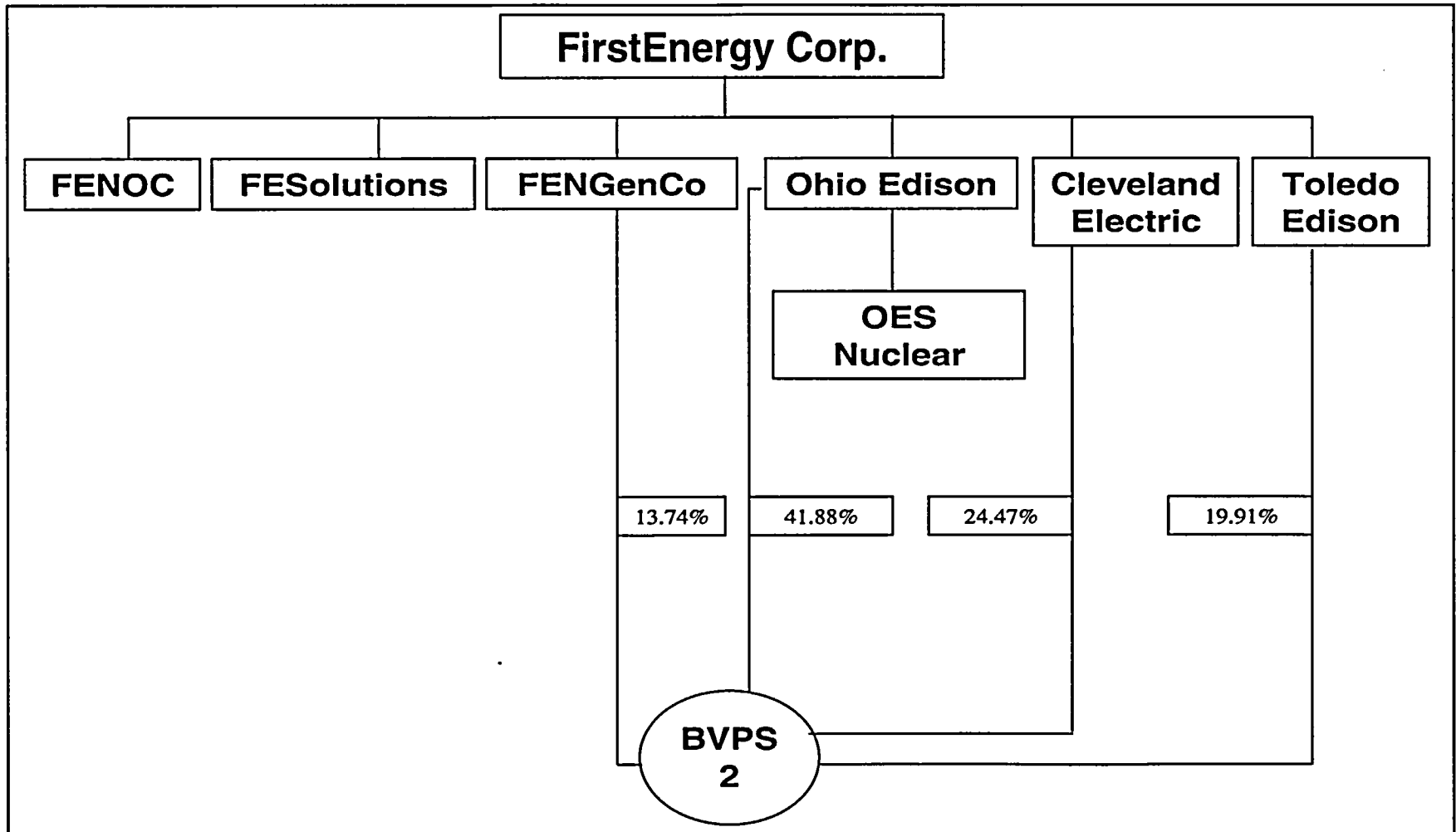


EXHIBIT C
ATTACHMENT 3
Simplified Corporate Licensed Interest (Ownership and Leased) Structure Before Transfer

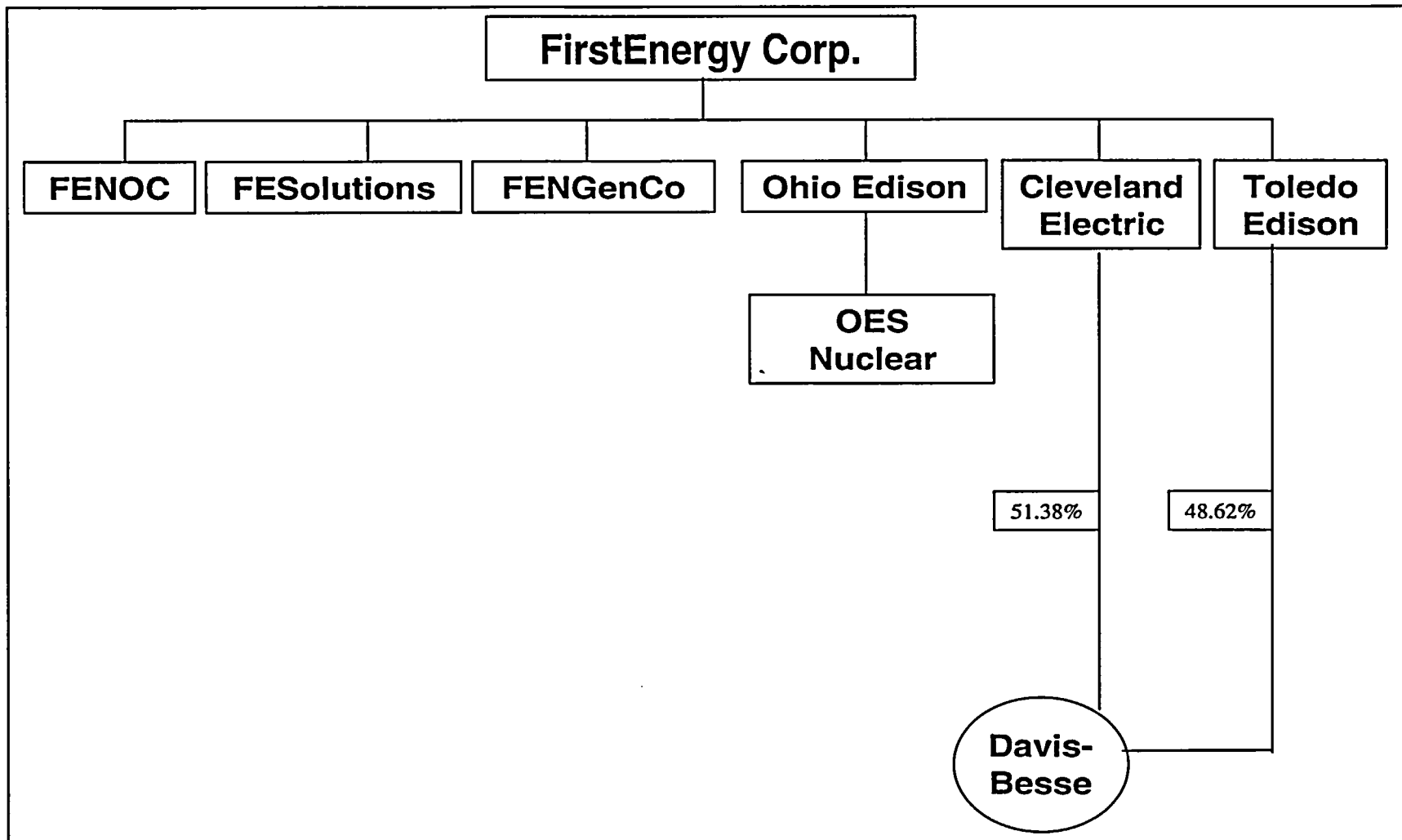
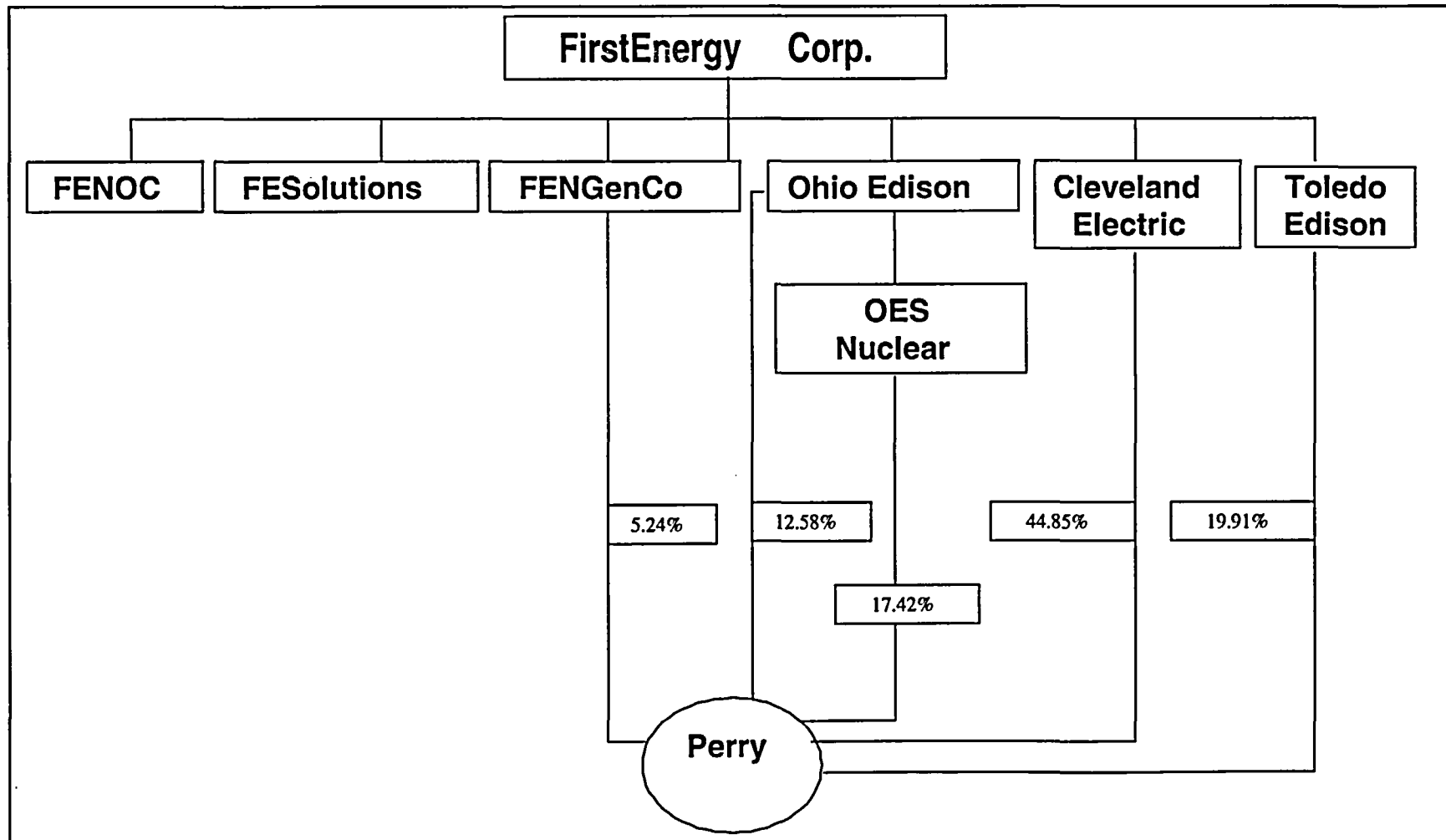


EXHIBIT C
ATTACHMENT 4
Simplified Corporate Licensed Interest (Ownership and Leased) Structure Before Transfer



**EXHIBIT D
ATTACHMENT 1
Simplified Corporate Licensed Interest (Ownership and Leased) Structure After Transfer**

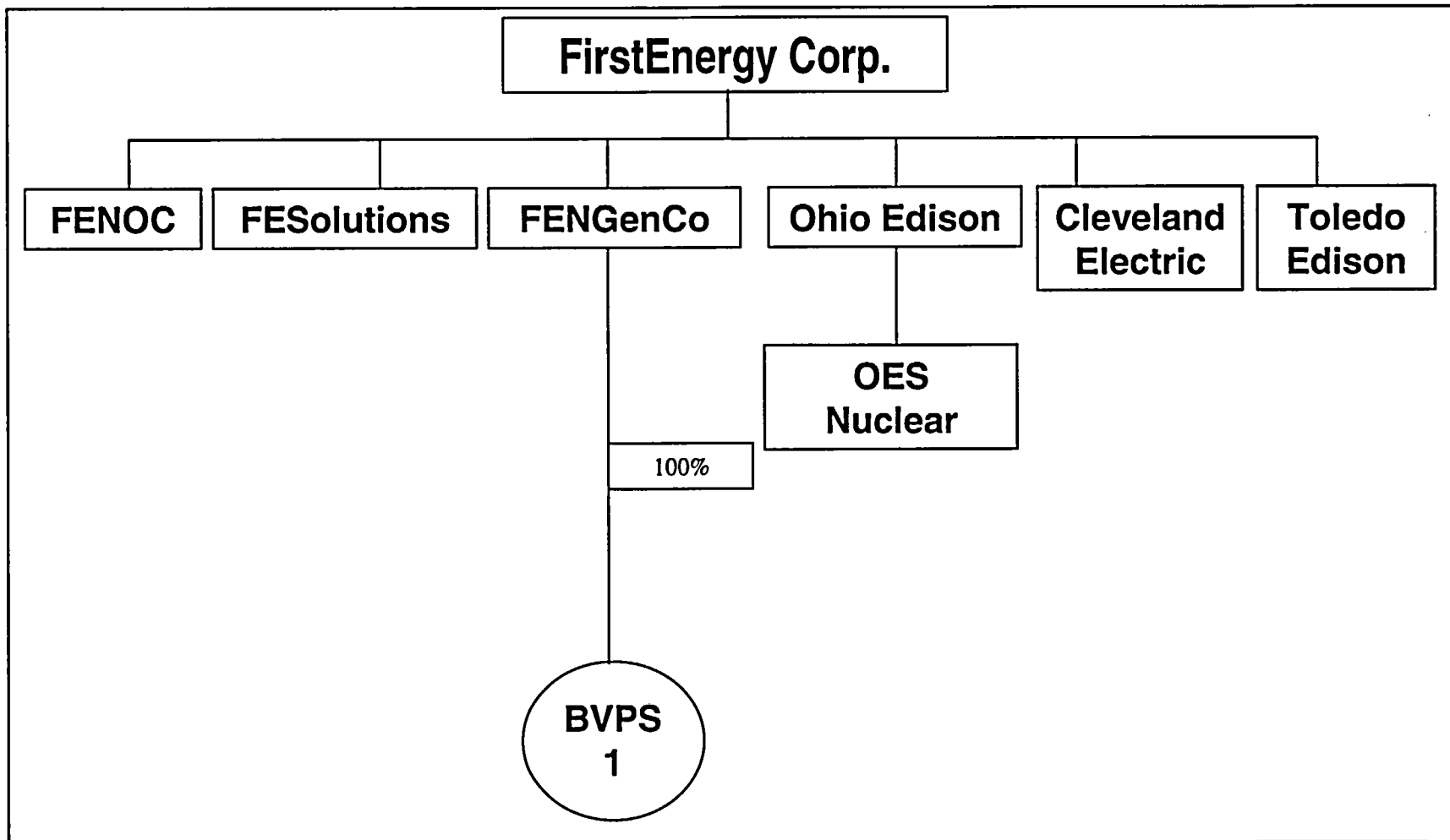


EXHIBIT D
ATTACHMENT 2
Simplified Corporate Licensed Interest (Ownership and Leased) Structure After Transfer

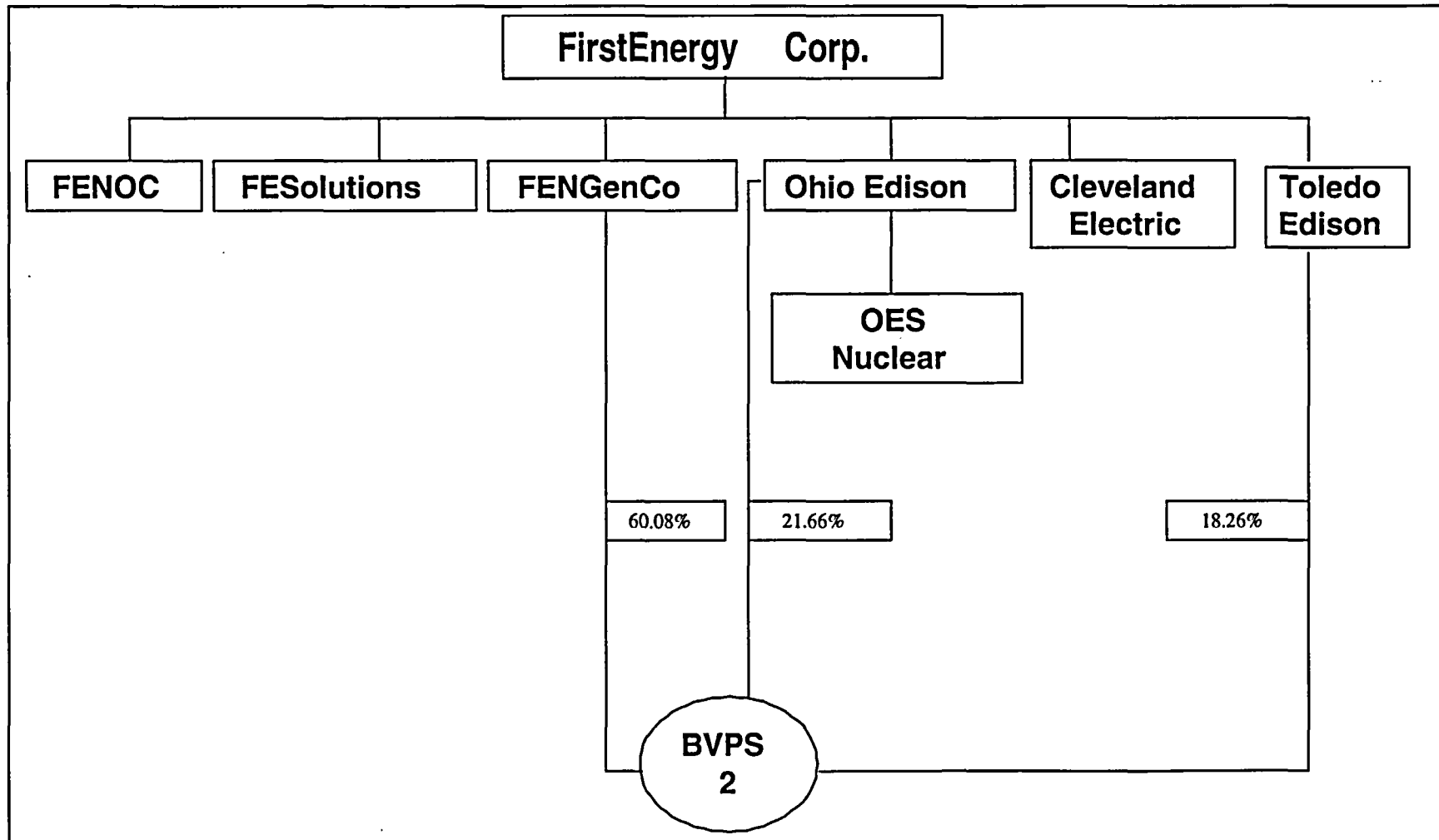


EXHIBIT D
ATTACHMENT 3
Simplified Corporate Licensed Interest (Ownership and Leased) Structure After Transfer

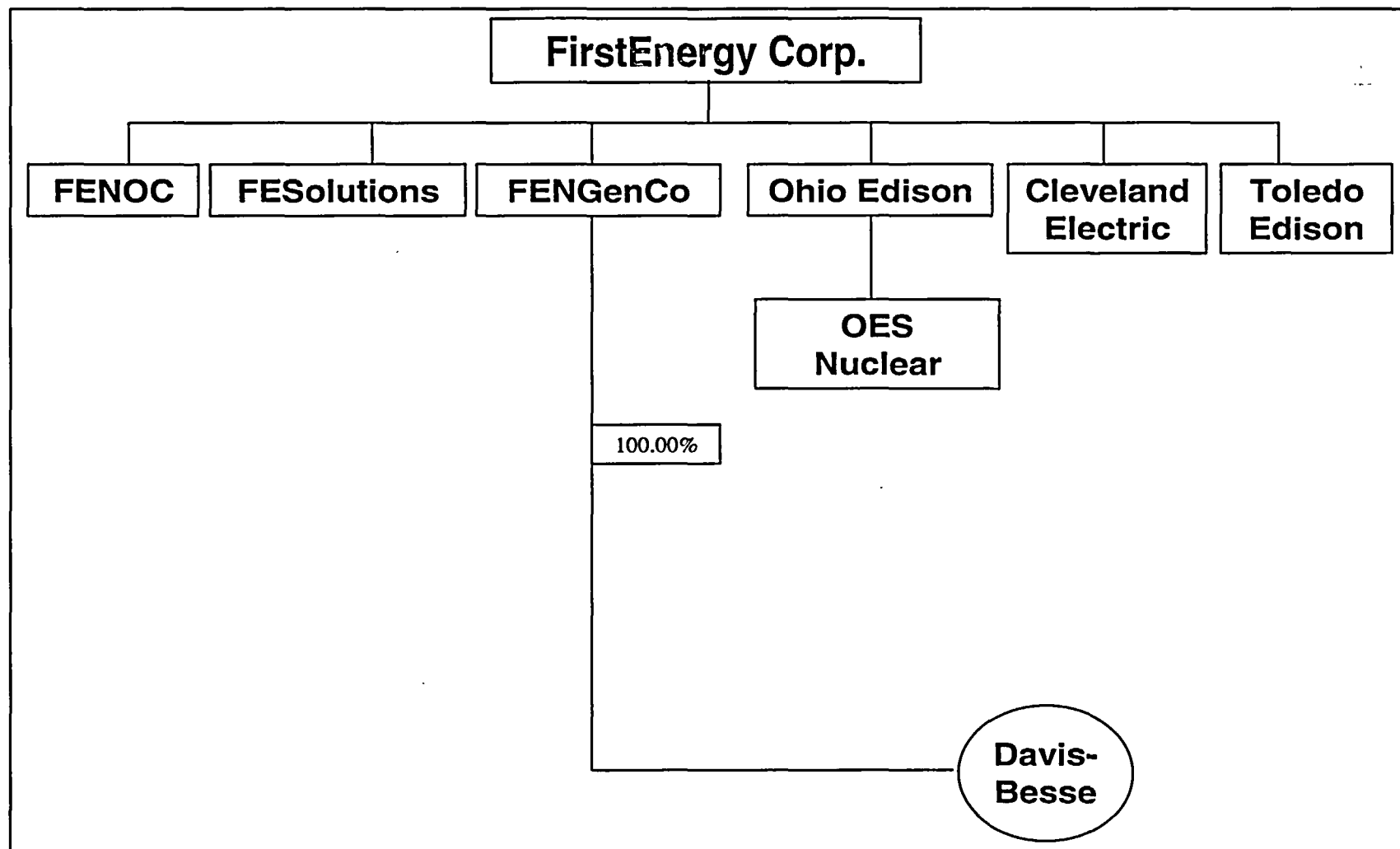
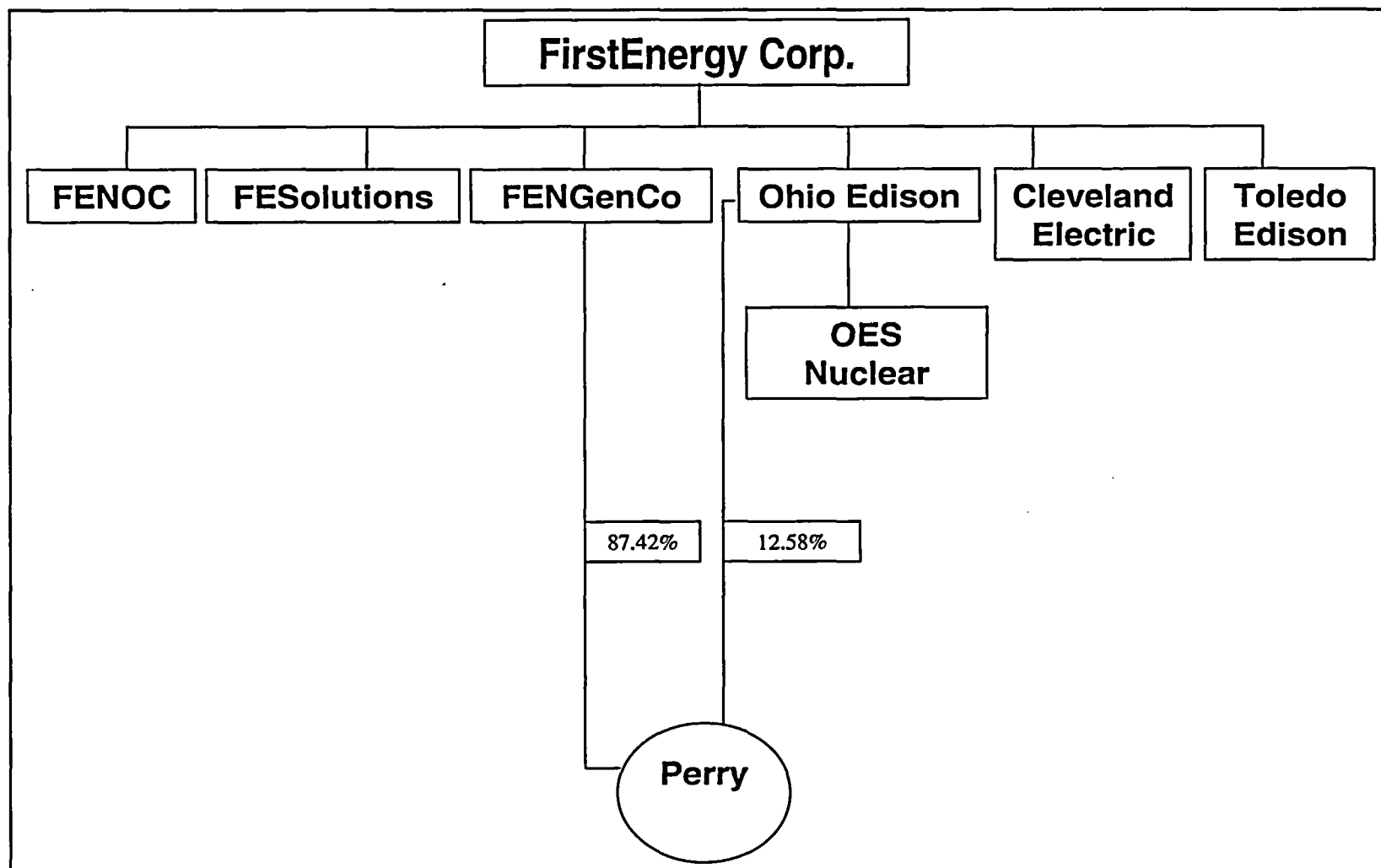


EXHIBIT D
ATTACHMENT 4
Simplified Corporate Licensed Interest (Ownership and Leased) Structure After Transfer



Regulatory Commitments

The following list identifies those actions committed to by the FirstEnergy Nuclear Operating Company (FENOC) for the Beaver Valley Power Station, Unit Nos. 1 & 2, Perry Nuclear Power Plant, Unit No. 1, and Davis-Besse Nuclear Power Station, Unit 1 in this document. Any other actions discussed in the submittal represent intended or planned actions by FENOC. They are described only as information and are not regulatory commitments. Please notify Mr. Gregory H. Halnon, FENOC Director, Regulatory Affairs at (330) 315-7500 of any questions regarding this document or associated regulatory commitments.

<u>Commitment</u>	<u>Due Date</u>
No additional commitments have been generated by this submittal.	N/A