

Gary R. Leidich
President and Chief Nuclear Officer330-384-5770
Fax: 330-384-5669June 6, 2006
L-06-030
Serial Number 3237
PY-CEI/NRR-2944L

10 CFR 50.80

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Director, Office of Nuclear Reactor Regulation
Washington, DC 20555Re: 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
Application for Order Approving Indirect Transfer of Control of Licenses

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and 10 CFR 50.80, FirstEnergy Nuclear Operating Company ("FENOC"), acting on behalf of FirstEnergy Nuclear Generation Corp. ("FENGenCo") and FirstEnergy Solutions Corp. ("FE Solutions"), hereby requests that the Nuclear Regulatory Commission ("NRC") consent to the indirect transfer of control of FENGenCo's licenses to own:

1. 100% of Beaver Valley Power Station, Unit No. 1 ("BVPS 1");
2. 60.8% of Beaver Valley Power Station, Unit No. 2 ("BVPS 2")(BVPS 1 and BVPS 2 collectively "BVPS");
3. 100% of Davis-Besse Nuclear Power Station, Unit No. 1 ("Davis-Besse");
4. 87.420% of Perry Nuclear Power Plant, Unit No. 1 ("Perry")(collectively the "Licenses").

FE Solutions and FENGenCo are both currently wholly owned direct subsidiaries of FirstEnergy Corp ("FirstEnergy"). The proposed internal restructuring would make FENGenCo: (1) a wholly owned direct subsidiary of FE Solutions; and (2) a wholly owned second-tier subsidiary of FirstEnergy. Exhibits A and B of the enclosed Application provide simplified before and after organizational charts. The proposed internal restructuring involves no changes to any of the facility licenses. Accordingly, no license amendments are requested in the enclosed Application.

A001

The enclosed Application is a continuation of the reorganization that began with FENOC's May 18 and June 1, 2005 applications which were supplemented on July 15 and October 3, 2005 (collectively the "2005 Applications"). The NRC approved the transfer to FENGenCo on December 16, 2005.¹ None of FENGenCo's qualifications to own the facilities is affected by the proposed indirect transfer. Specifically, FENGenCo's financial qualifications and decommissioning funding assurance will not change as part of the proposed transaction.

Through the enclosed Application, FENOC requests, on behalf of FE Solutions and FENGenCo, that the NRC consent to this proposed indirect transfer of control. The information contained in the enclosed Application demonstrates that, after the proposed indirect transfer of control, FENGenCo will continue to possess the requisite qualifications to own the Licenses.

FENOC is the licensed operator for BVPS, Davis-Besse, and Perry. The enclosed Application does not request, or involve any change to FENOC's continued operation of BVPS, Davis-Besse, or Perry. The enclosed Application does not request approval of any physical changes in the plant, or any changes to the conduct of operations at BVPS, Davis-Besse, or Perry. After transfer of the BVPS, Davis-Besse, and Perry licenses, FENOC will continue to operate and maintain each plant in accordance with its respective licensing basis.

Finally, the enclosed Application does not request any license amendments or make additional commitments to the NRC. The proposed indirect transfer of control will be consistent with the requirements set forth in the Act, NRC regulations, and the relevant NRC licenses and orders. It will neither have any adverse impact on the public health and safety, nor be inimical to the common defense and security. FENOC, therefore respectfully requests that the NRC consent to the indirect transfer of control in accordance with 10 CFR 50.80.

FENOC requests that the NRC review the enclosed Application on a schedule that will permit the issuance of NRC consent to the transfers of control as soon as practicable, and are prepared to work closely with the NRC Staff to help the application's review. Approval is requested by no later than August 14, 2006. Such consent should be immediately effective upon issuance and should permit the transfers at any time within one year.

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

¹ Order Superseding Order of November 15, 2005 Approving Transfer of Licenses and Conforming Amendments (December 16, 2005)("December 16 Order").

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If there are any questions or if additional information is required, please contact Mr. Gregory A. Dunn, Manager - FENOC Fleet Licensing, at (330) 315-7243.

Sincerely,



Enclosures:

1. Application for Order Approving Indirect Transfer of Control of Licenses with Exhibits
2. 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 Liason)
Utility Radiological Review Board

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**Application for Order Approving
Indirect Transfer of Control of Licenses**

June 6, 2006

submitted by

FirstEnergy Nuclear Operating Company

on behalf of

FirstEnergy Nuclear Generation Corp.

and

FirstEnergy Solutions Corp.

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, and
Perry Nuclear Power Plant, Unit No 1, Docket No. 50-440

**APPLICATION FOR ORDER APPROVING INDIRECT
TRANSFER OF CONTROL OF LICENSES**

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Affirmation of Gary R. Leidich

Exhibit A Simplified Corporate Ownership Structure Before Transfer

Exhibit B Simplified Corporate Ownership Structure After Transfer

I. INTRODUCTION

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (“the Act”), and 10 CFR 50.80, FirstEnergy Nuclear Operating Company (“FENOC”), acting on behalf of FirstEnergy Nuclear Generation Corp. (“FENGenCo”) and FirstEnergy Solutions Corp. (“FE Solutions”), hereby requests that the Nuclear Regulatory Commission (“NRC”) consent to the indirect transfer of control of FENGenCo’s licenses to own:

1. 100% of Beaver Valley Power Station, Unit No. 1 (“BVPS 1”);
2. 60.8% of Beaver Valley Power Station, Unit No. 2 (“BVPS 2”)(BVPS 1 and BVPS 2 collectively “BVPS”);
3. 100% of Davis-Besse Nuclear Power Station, Unit No. 1 (“Davis-Besse”);
4. 87.420% of Perry Nuclear Power Plant, Unit No. 1 (“Perry”)(collectively the “Licenses”).

FE Solutions and FENGenCo are both currently wholly owned direct subsidiaries of FirstEnergy Corp (“FirstEnergy”). The proposed internal restructuring would make FENGenCo: (1) a wholly owned direct subsidiary of FE Solutions; and (2) a wholly owned second-tier subsidiary of FirstEnergy. Exhibits A and B provide simplified before and after organizational charts. The proposed internal restructuring involves no changes to any of the facility licenses. Accordingly, no license amendments are requested in this Application.

This Application is a continuation of the reorganization that began with FENOC’s May 18 and June 1, 2005 applications which were supplemented on July 15 and October 3, 2005 (collectively the “2005 Applications”). The NRC approved the transfer to FENGenCo on

December 16, 2005.¹ None of FENGenCo's qualifications to own the facilities is affected by the proposed indirect transfer. Specifically, FENGenCo's financial qualifications and decommissioning funding assurance will not change as part of the proposed transaction.

FENOC requests, on behalf of FE Solutions and FENGenCo, that the NRC consent to this proposed indirect transfer of control. The information contained in this Application demonstrates that, after the proposed indirect transfer of control, FENGenCo will continue to possess the requisite qualifications to own the Licenses.

FENOC is the licensed operator for BVPS, Davis-Besse, and Perry. This application does not request, or involve any change to FENOC's continued operation of BVPS, Davis-Besse, or Perry. This application does not request approval of any physical changes in the plant, or any changes to the conduct of operations at BVPS, Davis-Besse, or Perry. After transfer of the BVPS, Davis-Besse, and Perry licenses, FENOC will continue to operate and maintain each plant in accordance with its respective licensing basis.

Finally, this Application does not request any license amendments or make additional commitments to the NRC. The proposed indirect transfer of control will be consistent with the requirements set forth in the Act, NRC regulations, and the relevant NRC licenses and orders. It will neither have any adverse impact on the public health and safety, nor be inimical to the common defense and security. FENOC, therefore respectfully requests that the NRC consent to the indirect transfer of control in accordance with 10 CFR 50.80.

¹ Order Superseding Order of November 15, 2005 Approving Transfer of Licenses and Conforming Amendments (December 16, 2005)("December 16 Order").

II. STATEMENT OF PURPOSE OF THE TRANSFER AND NATURE OF THE TRANSACTION MAKING THE TRANSFER NECESSARY OR DESIRABLE

The proposed restructuring consolidates all of FirstEnergy's merchant generation subsidiaries into a single intermediate holding company, FE Solutions. FE Solutions plans to pursue its own independent credit rating. In August 2005, Congress passed the Energy Policy Act of 2005, repealing the Public Utility Holding Company Act of 1935 effective February 8, 2006, which repeal facilitates this consolidation.

III. SUPPORTING INFORMATION

A. Name of New Parent

FirstEnergy Solutions Corp.

B. Address

395 Ghent Road
Akron, Ohio 44333

C. Description of Business or Occupation

FirstEnergy established FE Solutions as the affiliate responsible for the purchase and sale of electricity in competitive markets. FENGenCo currently sells the entire output of its plants to FE Solutions pursuant to a Purchased Power Agreement ("PPA") approved by the Federal Energy Regulatory Commission (the "FERC"). The proposed indirect transfer will have no impact on that PPA.

D. Corporate Information

1. State of Incorporation and Place of Business

FE Solutions is an Ohio corporation. FE Solutions's principal place of business is also Ohio.

2. Directors and Principal Officers

The following individuals, whom are U.S. citizens, are the directors of FE Solutions:

Anthony J. Alexander
Gary R. Leidich
Richard H. Marsh
Guy L. Pipitone

The following individuals, whom are U.S. citizens, are the principal officers of FE Solutions:

Guy L. Pipitone	President
Richard H. Marsh	Senior Vice President and Chief Financial Officer
Leila L. Vespoli	Senior Vice President and General Counsel
Charles D. Lasky	Vice President
Alfred G. Roth	Vice President
Donald R. Schneider	Vice President
Harvey L. Wagner	Vice President and Controller
Arthur W. Yuan	Vice President
David W. Whitehead	Corporate Secretary
James F. Pearson	Treasurer

3. No Foreign Ownership or Control

After the proposed indirect transfer, FENGenCo will be a wholly owned subsidiary of FE Solutions, and a wholly owned second-tier subsidiary of FirstEnergy. The shares of common stock of FirstEnergy are publicly traded on the New York Stock Exchange and are widely held. The directors and principal officers of FENGenCo, FE Solutions, and FirstEnergy are U.S. citizens. Section 13 of the Securities and Exchange Act of 1934, as amended, 15 U.S.C. 78m(d), requires that a person or entity that owns or controls more than 5% of the stock of a company must file notice with the Securities and Exchange Commission (SEC). The analysis presented in the Foreign Ownership and Control section of the 2005 Applications have not changed. As such,

FirstEnergy, FE Solutions, and FENGenCo are not owned, controlled or dominated by an alien, a foreign corporation, or a foreign government.

4. No Agency

In seeking to become the parent of the owner of the Licenses, FE Solutions is not acting as the agent or representative of any other person or entity.

E. Technical Qualifications

The technical qualifications of FENOC are not affected by the proposed transfers of control. There will be no physical changes to BVPS, Davis-Besse, or Perry and no changes in the day-to-day operations of FENOC in connection with the transfers of control. FENOC will at all times remain the licensed operator of BVPS, Davis-Besse, and Perry, and there will be no changes in the FENOC senior management team resulting from the proposed license transfers.

F. Financial Qualifications

Information regarding FENGenCo's financial qualifications was provided in the 2005 Applications and accompanying exhibits. By letter dated May 30, 2006 (BVPS letter L-06-071, Davis-Besse letter Serial Number 3261, and Perry letter PY-CEI/NRR-2957L) FENOC submitted revised FENGenCo financial information. Though the revised information shows a reduction in the FENGenCo pro-forma income statements, adequate net income remains to ensure the viability of FENGenCo operations. The proposed indirect transfer of control of licenses does not alter FENGenCo's ongoing financial qualifications, and FENGenCo will remain financially qualified. In particular, FENGenCo has entered into a Power Supply Agreement (PSA) that provides substantial revenue which is more than adequate to recover its maintenance, operating, and capital costs for the transferred assets as anticipated in the 2005 Applications. In addition, FirstEnergy has entered into a \$400 million financial support

agreement directly with FENGenCo, and this will remain in place unaffected by the proposed indirect transfers.

G. Decommissioning Funding

Similarly, the decommissioning funding assurance analysis and the applicable exhibits approved by the December 16 Order remains unchanged. The decommissioning funding assurance requirements for the licenses continues to be satisfied because: (1) all of the 2005 trust fund contributions referenced in the June 1, 2005 application were made; (2) FirstEnergy will continue to make all future required contributions; and (3) the parent guarantee directly from FirstEnergy to FENGenCo referenced in the May 18, 2005 application remains unchanged.

H. No Antitrust Considerations

In accordance with the Commission's decision in *Kansas Gas and Electric Company* (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 N.R.C. 441 (1999), antitrust reviews of license transfer applications after initial licensing are not required by the AEA. *See also* 10 CFR 50.80(b); Final Rule, Antitrust Review Authority: Clarification, 65 Fed. Reg. 44,649 (July 19, 2000). The existing antitrust conditions in the licenses are not affected by this application. The proposed transfer does not change the antitrust conditions approved in the December 16 Order.²

I. Nuclear Insurance

The proposed indirect transfer of control does not affect the existing Price-Anderson indemnity agreement for Beaver Valley, Davis-Besse, or Perry, and does not affect the required

² Notice that AMP Ohio and City of Cleveland requested a hearing based on this issue. On January 31, 2006, the Commission declined to grant that hearing. FirstEnergy Nuclear Operating Company (Beaver Valley, Unit Nos. 1 and 2, Davis-Besse Power Station, Unit No. 1, and Perry Nuclear Power Plant, Unit No. 1), CLI-06-02. Accordingly, the Order is final.

nuclear property damage insurance pursuant to 10 CFR 50.54(w) and nuclear energy liability insurance pursuant to Section 170 of the Act and 10 CFR Part 140.

J. Standard Contract for Disposal of Spent Nuclear Fuel

The proposed indirect transfer of control does not affect the existing standard contracts to which FENGenCo is a party.

K. Agreement to Limit Access to Restricted Data

This application does not involve any Restricted Data or other classified defense information. Furthermore, it is not expected that any such information will be raised or required by the licensed activities at BVPS, Davis-Besse, or Perry. In the event that licensed activities do involve Restricted Data in the future, FENGenCo continues to agree that it will appropriately safeguard such information. Restricted or classified defense information will not be provided to any individual until the Office of Personnel Management investigates and reports to the NRC on the character, associations, and loyalty of such individual, and the NRC determines that permitting such person to have access to Restricted Data will not endanger the common defense and security of the United States.

L. Environmental Review

The proposed indirect transfer will not result in any change in the types, or any increase in the amounts, of any effluents that may be released off-site, and will not cause any increase in individual or cumulative occupational radiation exposure. Further, the NRC has determined in 10 CFR 51.22(c)(21) that license transfers are categorically exempt from further environmental review. Accordingly, the indirect license transfer will involve no significant environmental impact.

IV. EFFECTIVE DATE

The Applicant requests that the NRC review this application on a schedule that will permit issuance of an order consenting to the requested indirect license transfer as promptly as possible, and in any event on or before August 14, 2006. Such consent should be immediately effective upon issuance and should permit the transfer to occur any time within one year.

V. CONCLUSION

For the reasons stated above, the Applicant respectfully submits that the proposed indirect transfer of FENGenCo's ownership interests in BVPS, Davis-Besse, and Perry is consistent with the requirements set forth in the AEA, NRC regulations, and the relevant NRC licenses and orders. The Applicant therefore respectfully requests that, in accordance with Section 184 of the AEA and 10 CFR 50.80, the NRC consent to the indirect transfers.

Affirmation

I, Gary R. Leidich, being duly sworn, state that I am the President and Chief Nuclear Officer for FirstEnergy 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 FENOC and its affiliates are true and correct to the best of my knowledge, information, and belief.

FirstEnergy Nuclear Operating Company

Gary R. Leidich
Gary R. Leidich
President and Chief Nuclear Officer

STATE OF Ohio

COUNTY OF Lake

Subscribed and sworn to before me, a Notary Public, in and for the County and State above named, this 6th day of June, 2006.

Karen L. Johnson

My Commission Expires: 2/5/08

KAREN L. JOHNSON
Notary Public, State of Ohio
My Commission Expires 2/5/08
Recorded in Lake County.

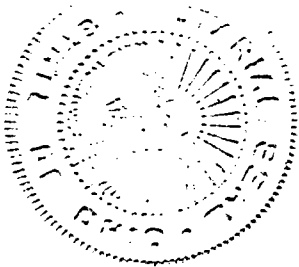


Exhibit A

Simplified Corporate Ownership Structure Before Transfer

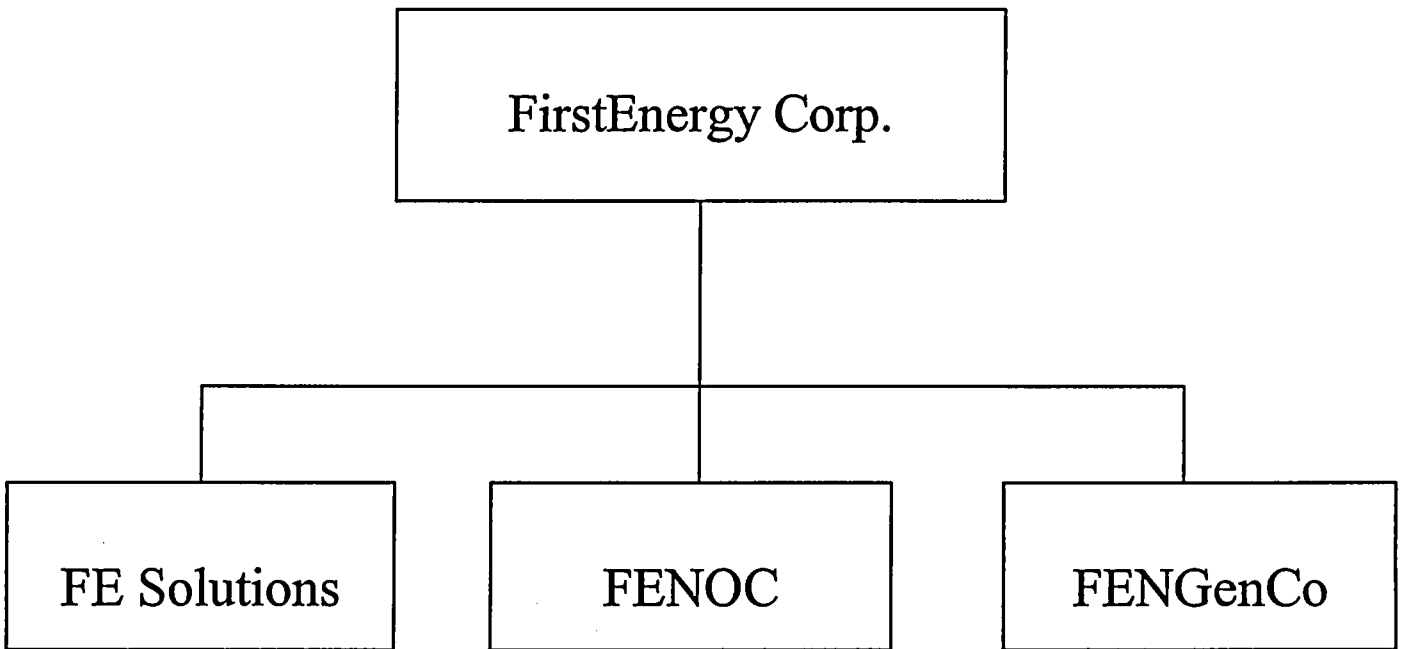
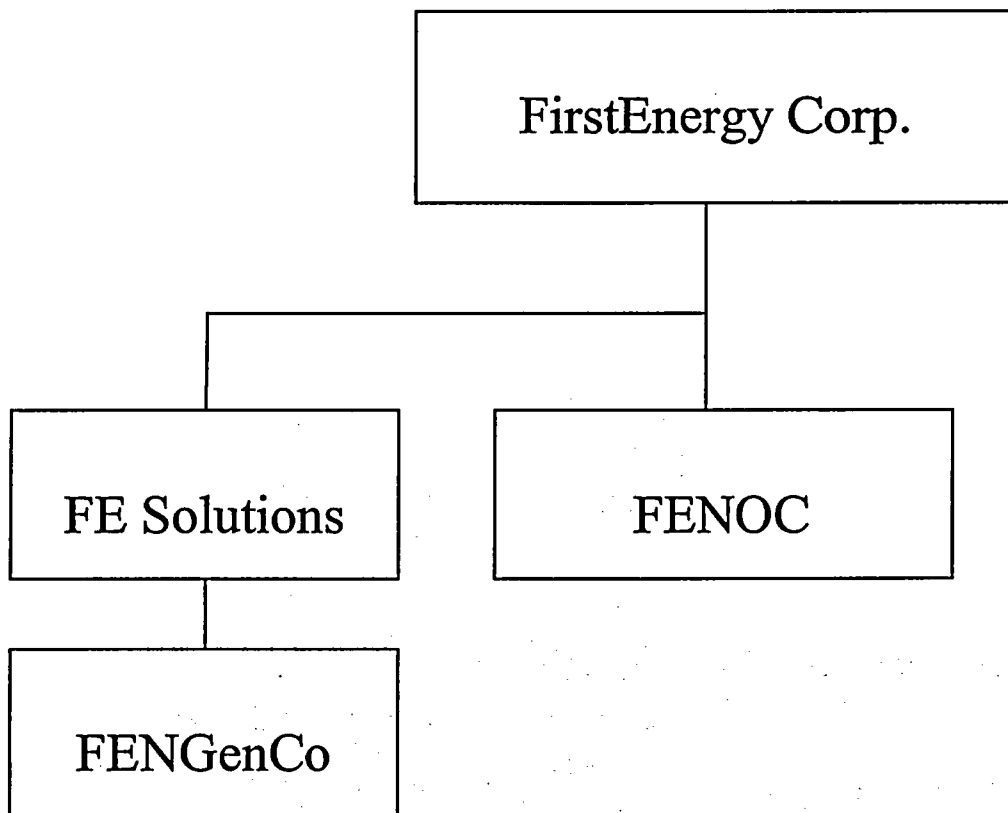


Exhibit B

Simplified Corporate Ownership 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, Davis-Besse Nuclear Power Station, Unit 1, and Perry Nuclear Power Plant, Unit No. 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 A. Dunn, Manager - FENOC, Fleet Licensing, at (330) 315-7243 for any questions regarding this document or associated regulatory commitments.

Commitment	Due Date
No commitments have been generated by this submittal.	N/A