

March 29, 2011  
L-11-102

10 CFR 50.75

ATTN: Document Control Desk  
U. S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

SUBJECT:  
Beaver Valley Power Station, Unit Nos. 1 and 2  
Docket No. 50-334, License No. DPR-66  
Docket No. 50-412, License No. NPF-73

Davis-Besse Nuclear Power Station  
Docket No. 50-346, License No. NPF-3

Perry Nuclear Power Plant  
Docket No. 50-440, License No. NPF-58  
Submittal of the Decommissioning Reports for Beaver Valley Power Station,  
Unit Nos. 1 and 2, Davis-Besse Nuclear Power Station, and Perry Nuclear Power Plant

Pursuant to 10 CFR 50.75(f)(1), the FirstEnergy Nuclear Operating Company (FENOC), on behalf of the FirstEnergy Corp., is submitting the enclosed Decommissioning Reports for the Beaver Valley Power Station, Unit Nos. 1 and 2, the Davis-Besse Nuclear Power Station, and the Perry Nuclear Power Plant for the year ending December 31, 2010.

There are no regulatory commitments contained in this letter. If there are any questions, or if additional information is required, please contact Mr. Thomas A. Lentz, Manager – Fleet Licensing, at (330) 761-6071.

Sincerely,



Gregory H. Halnon  
Director, Fleet Regulatory Affairs

A001  
NRR

Beaver Valley Power Station, Unit Nos. 1 and 2  
Davis-Besse Nuclear Power Station  
Perry Nuclear Power Plant  
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Attachments:

1. Decommissioning Funding Status Report – Beaver Valley Power Station, Unit No. 1
2. Decommissioning Funding Status Report – Beaver Valley Power Station, Unit No. 2
3. Decommissioning Funding Status Report – Davis-Besse Nuclear Power Station
4. Decommissioning Funding Status Report – Perry Nuclear Power Plant

cc: NRC Region I Administrator  
NRC Region III Administrator  
NRC Resident Inspector (Beaver Valley)  
NRC Resident Inspector (Davis-Besse)  
NRC Resident Inspector (Perry)  
NRC Project Manager (Beaver Valley)  
NRC Project Manager (Davis-Besse)  
NRC Project Manager (Perry)  
Director BRP/DEP  
Site BRP/DEP Representative  
Utility Radiological Safety Board

Attachment 1  
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Decommissioning Funding Status Report – Beaver Valley Power Station, Unit No. 1  
Page 1 of 3

This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in Beaver Valley Power Station, Unit No. 1, as of December 31, 2010.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c) (see Schedule 1):

FirstEnergy Nuclear Generation Corp. (FENGenCo)	\$461,458,231
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2. The amount accumulated in external trust funds as of December 31, 2010:

FENGenCo	\$223,899,740
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3. A schedule of the annual amounts over the number of years remaining to be collected from ratepayers:

Amount Remaining	\$0
Number of years to Collect	0

4. The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership Interest in Unit	100%
"Real" Rate of Return through Dismantlement	2.00%
Year of Final Dismantlement	2043
Year of License Termination	2036

5. There are no contracts upon which the owners/licensees are relying pursuant to 10 CFR 50.75(e)(1)(v).
6. There has been no modification to the current method of providing decommissioning funding assurance since the last submitted report.
7. There have been no material changes to the applicable trust agreement(s) since the last submitted report.

8. FENOC recognizes that a shortfall exists for FENGenCo when the existing trust balances and assumed earnings are compared with the NRC formula amount calculated in Item 1, above. When an existing \$15 million Parent Guarantee is included in the calculation, the remaining shortfall is \$51,166,749. To resolve the shortfall, FENOC will obtain a Parent Guarantee in accordance with 10 CFR 50.75(b)(2) and (b)(3) within 90 days of the date of this submittal.
9. Mathematical rounding was performed during the development of the supporting calculations.

**Schedule 1**  
**FIRSTENERGY CORP.**  
 Calculation of Minimum Financial Assurance Amount  
 December 31, 2010  
**BEAVER VALLEY POWER STATION, UNIT No. 1**

**Pennsylvania Regions**

Labor (L) = Northeast  
 Energy (E) = National  
 Waste Burial (B) = South Carolina

**For PWR Unit**

	Adjustment Factor <sup>1</sup>	Ratio	Escalation Factor <sup>2</sup>
L =	2.454	0.65	1.595
E =	2.263	0.13	0.294
B =	12.280	0.22	2.702
PWR Escalation Factor =			4.591
Base Amount for PWR between 1200 MWt and 3400 MWt = (\$75m + 0.0088P) (P = power level in megawatts thermal = 2900)			
(\$75 + 0.0088(2900)) million =			\$100,520,000
Escalated Amount for unit <sup>2</sup> =			
100,520,000                      x	4.591	=	<u><u>\$461,458,231</u></u>

<u>Owner/Licensee</u>	<u>Ownership</u>	
FirstEnergy Nuclear Generation Corp.	100.00%	<u><u>\$461,458,231</u></u>

Note 1: Actual fourth quarter 2010 Bureau of Labor Statistics data used to develop Labor factor, preliminary December 2010 Bureau of Labor Statistics data used to develop Energy Factor, and Burial factor is based on NUREG-1307, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities," Revision 14 data.  
 Note 2: Mathematical rounding was performed during the development of the supporting calculations.

Attachment 2  
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Decommissioning Funding Status Report – Beaver Valley Power Station, Unit No. 2  
Page 1 of 3

This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in Beaver Valley Power Station, Unit 2, as of December 31, 2010.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c) (see Schedule 1):

Ohio Edison Company	\$ 99,951,853
The Toledo Edison Company	84,262,273
FirstEnergy Nuclear Generation Corp. (FENGenCo)	<u>277,244,105</u>
FirstEnergy Consolidated	<u>\$461,458,231</u>

2. The amount accumulated in external trust funds as of December 31, 2010:

Ohio Edison Company	\$ 67,523,532
The Toledo Edison Company	75,818,478
FENGenCo	<u>140,594,767</u>
FirstEnergy Consolidated	<u>\$283,936,777</u>

3. A schedule of the annual amounts over the number of years remaining to be collected from ratepayers:

Amount Remaining	\$0
Number of years to Collect	0

4. The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership Interest in Unit	100%
"Real" Rate of Return through Dismantlement	2.00%
Year of Final Dismantlement	2054
Year of License Termination	2047

5. There are no contracts upon which the owners/licensees are relying pursuant to 10 CFR 50.75(e)(1)(v).
6. There has been no modification to the current method of providing decommissioning funding assurance since the last submitted report.

7. There have been no material changes to the applicable trust agreement(s) since the last submitted report.
8. Mathematical rounding was performed during the development of the supporting calculations.

**Schedule 1**  
**FIRSTENERGY CORP.**  
 Calculation of Minimum Financial Assurance Amount  
 December 31, 2010  
**BEAVER VALLEY POWER STATION, UNIT No. 2**

**Pennsylvania Regions**

Labor (L) = Northeast  
 Energy (E) = National  
 Waste Burial (B) = South Carolina

**For PWR Unit**

	Adjustment Factor <sup>1</sup>	Ratio	Escalation Factor <sup>2</sup>
L =	2.454	0.65	1.595
E =	2.263	0.13	0.294
B =	12.280	0.22	<u>2.702</u>
PWR Escalation Factor =			4.591

Base Amount for PWR between 1200 MWt and 3400 MWt = (\$75m + 0.0088P)  
 (P = power level in megawatts thermal = 2900)

(\$75 + 0.0088(2900)) million = \$100,520,000

Escalated Amount for unit <sup>2</sup> =			
100,520,000	x	4.591	=
			<u><u>\$461,458,231</u></u>

<u>Owner/Licensee</u>	<u>Ownership</u>	
Ohio Edison Company	21.66%	\$99,951,853
The Toledo Edison Company	18.26%	\$84,262,273
FirstEnergy Nuclear Generation Corp.	60.08%	<u>\$277,244,105</u>
Total FENGenCo		<u><u>\$461,458,231</u></u>

Note 1: Actual fourth quarter 2010 Bureau of Labor Statistics data used to develop Labor factor, preliminary December 2010 Bureau of Labor Statistics data used to develop Energy Factor, and Burial factor is based on NUREG-1307, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities," Revision 14 data.

Note 2: Mathematical rounding was performed during the development of the supporting calculations.



Attachment 3  
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Decommissioning Funding Status Report – Davis-Besse Nuclear Power Station  
Page 1 of 2

This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in Davis-Besse Nuclear Power Station as of December 31, 2010.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c) (see Schedule 1):

FirstEnergy Nuclear Generation Corp. (FENGenCo)	\$449,152,990
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2. The amount accumulated in external trust funds as of December 31, 2010:

FENGenCo	\$429,432,057
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3. A schedule of the annual amounts over the number of years remaining to be collected from ratepayers:

Amount Remaining	\$0
Number of years to Collect	0

4. The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership Interest in Unit	100%
"Real" Rate of Return through Dismantlement	2.00%
Year of Final Dismantlement	2024
Year of License Termination	2017

5. There are no contracts upon which the owners/licensees are relying pursuant to 10 CFR 50.75(e)(1)(v).
6. There has been no modification to the current method of providing decommissioning funding assurance since the last submitted report.
7. There have been no material changes to the applicable trust agreement(s) since the last submitted report.
8. Mathematical rounding was performed during the development of the supporting calculations.

**Schedule 1**  
**FIRSTENERGY CORP.**  
 Calculation of Minimum Financial Assurance Amount  
 December 31, 2010  
**DAVIS-BESSE NUCLEAR POWER STATION**

**Ohio Regions**

Labor (L) = Midwest  
 Energy (E) = National  
 Waste Burial (B) = South Carolina

**For PWR Unit**

	Adjustment Factor <sup>1</sup>	Ratio	Escalation Factor <sup>2</sup>
L =	2.315	0.65	1.505
E =	2.263	0.13	0.294
B =	12.280	0.22	2.702

PWR Escalation Factor = 4.501

Base Amount for PWR between 1200 MWt and 3400 MWt = (\$75m + 0.0088P)  
 (P = power level in megawatts thermal = 2817)

(\$75 + 0.0088(2817)) million = \$ 99,789,600

Escalated Amount for unit <sup>2</sup> =			
99,789,600	x	4.501	=
			<b>\$449,152,990</b>

<u>Owner/Licensee</u>	<u>Ownership</u>	
FirstEnergy Nuclear Generation Corp.	100.00%	<b>\$449,152,990</b>

Note 1: Actual fourth quarter 2010 Bureau of Labor Statistics data used to develop Labor factor, preliminary December 2010 Bureau of Labor Statistics data used to develop Energy Factor, and Burial factor is based on NUREG-1307, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities," Revision 14 data.

Note 2: Mathematical rounding was performed during the development of the supporting calculations.

Attachment 4  
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Decommissioning Funding Status Report – Perry Nuclear Power Plant  
Page 1 of 3

This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in Perry Nuclear Power Plant as of December 31, 2010.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c) (see Schedule 1):

Ohio Edison Company	\$ 77,527,713
FirstEnergy Nuclear Generation Corp. (FENGenCo)	<u>538,749,819</u>
FirstEnergy Consolidated	<u>\$616,277,532</u>

2. The amount accumulated in external trust funds as of December 31, 2010:

Ohio Edison Company	\$ 59,628,765
FENGenCo	352,612,286
FirstEnergy Consolidated	<u>\$412,241,052</u>

3. A schedule of the annual amounts over the number of years remaining to be collected from ratepayers:

Amount Remaining	\$0
Number of years to Collect	0

4. The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership Interest in Unit	100%
"Real" Rate of Return through Dismantlement	2.00%
Year of Final Dismantlement	2033
Year of License Termination	2026

5. There are no contracts upon which the owners/licensees are relying pursuant to 10 CFR 50.75(e)(1)(v).
6. There has been no modification to the current method of providing decommissioning funding assurance since the last submitted report.
7. There have been no material changes to the applicable trust agreement(s) since the last submitted report.

8. FENOC recognizes that a shortfall exists for FENGenCo when the existing trust balances and assumed earnings are compared with the NRC formula amount calculated in Item 1, above. The FENGenCo shortfall is \$26,368,895. To resolve the shortfall, FENOC will obtain a Parent Guarantee in accordance with 10 CFR 50.75(b)(2) and (b)(3) within 90 days of the date of this submittal.
9. Mathematical rounding was performed during the development of the supporting calculations.

**Schedule 1**  
**FIRSTENERGY CORP.**  
 Calculation of Minimum Financial Assurance Amount  
 December 31, 2010  
**PERRY NUCLEAR POWER PLANT**

**Ohio Regions**

Labor (L) = Midwest  
 Energy (E) = National  
 Waste Burial (B) = South Carolina

**For BWR Unit**

	Adjustment Factor <sup>1</sup>	Ratio	Escalation Factor <sup>2</sup>
L =	2.315	0.65	1.505
E =	2.319	0.13	0.301
B =	12.540	0.22	2.759
BWR Escalation Factor =			4.565
Base Amount for BWR greater than 3400 MWt =			\$135,000,000
Escalated Amount for unit <sup>2</sup> =			
135,000,000	x	4.565	=
			<b>\$616,277,532</b>

<u>Owner/Licensee</u>	<u>Ownership</u>	
Ohio Edison Company	12.58%	\$ 77,527,713
FirstEnergy Nuclear Generation Corp.	87.42%	\$538,749,819
Total FENGenCo		<b>\$616,277,532</b>

Note 1: Actual fourth quarter 2010 Bureau of Labor Statistics data used to develop Labor factor, preliminary December 2010 Bureau of Labor Statistics data used to develop Energy Factor, and Burial factor is based on NUREG-1307, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities," Revision 14 data.

Note 2: Mathematical rounding was performed during the development of the supporting calculations.