



341 White Pond Dr.
Akron, Ohio 44320

March 2, 2016
L-16-028

10 CFR 140.21

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, Unit No. 1
Docket No. 50-346, License No. NPF-3

Perry Nuclear Power Plant, Unit No. 1
Docket No. 50-440, License No. NPF-58
Retrospective Premium Guarantee

In accordance with 10 CFR 140.21, FirstEnergy Nuclear Operating Company (FENOC) hereby submits to the Nuclear Regulatory Commission (NRC) an internal cash flow projection for FirstEnergy Corp. (FE). FE is the upper tier parent of FENOC; FirstEnergy Nuclear Generation, LLC; Ohio Edison Company; and The Toledo Edison Company, which are the licensees for the Beaver Valley Power Station, Unit Nos. 1 and 2; the Davis-Besse Nuclear Power Station, Unit No. 1; and the Perry Nuclear Power Plant, Unit No. 1, reactors. The cash flow projection provides evidence of the guarantee of payment of deferred premiums in the amount of \$18.963 million per reactor, as specified in 10 CFR 140.11(a)(4).

Enclosure C to this letter contains confidential financial information.
Withhold from public disclosure under 10 CFR 2.390 and 10 CFR 9.17.
Upon removal of Enclosure C, this letter is uncontrolled.

CONFIDENTIAL FINANCIAL INFORMATION TO BE WITHHELD FROM PUBLIC
DISCLOSURE PURSUANT TO 10 CFR 2.390 AND 10 CFR 9.17

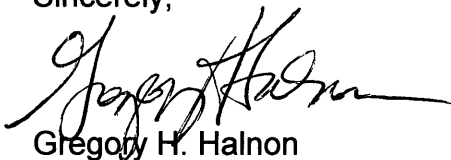
Beaver Valley Power Station, Unit Nos. 1 and 2
Davis-Besse Nuclear Power Station, Unit No. 1
Perry Nuclear Power Plant, Unit No. 1
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This financial projection is confidential financial information, and FENOC requests that information be withheld from public disclosure pursuant to 10 CFR 2.390 and 10 CFR 9.17(a)(4). A redacted version of the financial projection suitable for public disclosure is provided in the non-proprietary version contained in Enclosure A. A confidential version of the financial projection is provided in Enclosure C. An affidavit supporting the request for withholding Enclosure C from public disclosure is provided in Enclosure B.

This information is required to be submitted annually on the anniversary date on which the indemnity agreement is effective for each reactor. Because the indemnity agreement effective dates vary for each reactor, the enclosure contains the information for the aforementioned reactors to be submitted by March 7, the earliest indemnity agreement anniversary date of the reactors.

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) 315-6810.

Sincerely,



Gregory H. Halnon
Vice President, Regulatory Affairs and Laboratory Services

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Beaver Valley Power Station, Unit Nos. 1 and 2
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Enclosure:

- A. FIRSTENERGY CORP. 2016 INTERNAL CASH FLOW PROJECTION FOR DAVIS-BESSE UNIT NO. 1, PERRY UNIT NO. 1, AND BEAVER VALLEY UNIT NOS. 1 AND 2 NUCLEAR POWER PLANTS (Non-Proprietary)
- B. Affidavit
- C. FIRSTENERGY CORP. 2016 INTERNAL CASH FLOW PROJECTION FOR DAVIS-BESSE UNIT NO. 1, PERRY UNIT NO. 1, AND BEAVER VALLEY UNIT NOS. 1 AND 2 NUCLEAR POWER PLANTS (Proprietary)

cc: NRC Region I Administrator (without Enclosure C)
NRC Region III Administrator (without Enclosure C)
NRC Resident Inspector (Beaver Valley) (without Enclosure C)
NRC Resident Inspector (Davis-Besse) (without Enclosure C)
NRC Resident Inspector (Perry) (without Enclosure C)
NRC Project Manager (Beaver Valley) (without Enclosure C)
NRC Project Manager (Davis-Besse) (without Enclosure C)
NRC Project Manager (Perry) (without Enclosure C)
Director, Bureau of Radiation Protection/Department of Environmental Protection (BRP/DEP) (without Enclosure C)
PA Department of Environmental Protection, Bureau of Water Protection (without Enclosure C)
Site BRP/DEP Representative (without Enclosure C)
Utility Radiological Safety Board (without Enclosure C)

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Withhold from public disclosure under 10 CFR 2.390 and 10 CFR 9.17.
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Enclosure A
L-16-028

**FIRSTENERGY CORP. 2016 INTERNAL CASH FLOW PROJECTION
FOR DAVIS-BESSE UNIT NO. 1, PERRY UNIT NO. 1, AND
BEAVER VALLEY UNIT NOS. 1 AND 2 NUCLEAR POWER PLANTS
(Non-Proprietary)**

(One Page Follows)

FIRSTENERGY CORP.

2016 INTERNAL CASH FLOW PROJECTION
FOR DAVIS-BESSE UNIT NO. 1, PERRY UNIT NO. 1,
AND BEAVER VALLEY UNIT NOS. 1 AND 2 NUCLEAR POWER PLANTS ⁽¹⁾

(Dollars in Thousands)

	<u>2016</u> <u>Projected</u>
Cash Flows:	
Retained Earnings, Depreciation and Amortization	[]
Deferred Income Taxes and Investment Tax Credits	[]
Allowance for Funds Used During Construction and Carrying Charges	[]
Deferred Operating Expenses	[]
Net Cash Flows	[]
Internal Cash Flow	[]
Average Quarterly Cash Flow	[]
Percentage Ownership in Units:	
Davis-Besse Unit No. 1	100.00%
Perry Unit No. 1	100.00%
Beaver Valley Unit No. 2	100.00%
Beaver Valley Unit No. 1	100.00%
Maximum Total Contingent Liability	<u>\$75.852</u>

Note:

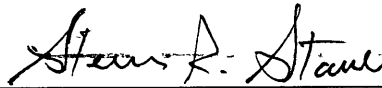
⁽¹⁾ Information contained within the brackets [] is considered proprietary.

CERTIFICATION

I, Steven R. Staub, Vice President & Treasurer of FirstEnergy Corp., hereby certify that the foregoing Internal Cash Flow Projection for calendar year 2016 is derived from reasonable assumptions and is a reasonable estimate.

2/23/16

Date



Steven R. Staub

Enclosure B
L-16-028

Affidavit

(Two Pages Follow)

10 CFR 2.390

AFFIDAVIT OF GREGORY H. HALNON

I, Gregory H. Halnon, Vice President, Regulatory Affairs and Laboratory Services state that:

1. I am authorized to execute this affidavit on behalf of FirstEnergy Nuclear Operating Company (FENOC) and its affiliates.

2. FENOC is providing information in support of its “Retrospective Premium Guarantee” submittal. The proprietary version of Enclosure C being provided in the submittal contains a 2016 cash flow projection for FirstEnergy Corp. This document constitutes proprietary financial information that should be held in confidence by the Nuclear Regulatory Commission (NRC) pursuant to the policy reflected in 10 CFR 2.390(a)(4) and 10 CFR 9.17(a)(4), because:
 - a. This information is and has been held in confidence by FENOC and its affiliates.

 - b. This information is of a type that is held in confidence by FENOC and its affiliates, and there is a rational basis for doing so because the information contains sensitive financial information concerning FirstEnergy Corp.’s anticipated cash flow.

 - c. This information is being transmitted to the NRC in confidence.

 - d. This information is not available in public sources and could not be gathered readily from other publicly available information.

 - e. Public disclosure of this material non-public internal financial information would create substantial harm to FirstEnergy Corp. and its shareholders as this disclosure would not be accompanied by the typical disclaimers provided with projected financial information along with the necessary analysis and commentary to contextualize such projected financial information thus risking market abuse with respect to FirstEnergy Corp.’s common stock.

3. Accordingly, FENOC requests that the designated documents be withheld from public disclosure pursuant to the policy reflected in 10 CFR 2.390(a)(4) and 10 CFR 9.17(a)(4).

FirstEnergy Nuclear Operating Company

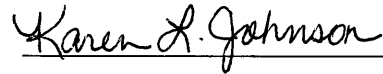


Gregory H. Malton
Vice President, Regulatory Affairs and
Laboratory Services

STATE OF Ohio

CITY OF Perry

Subscribed and sworn to me, a Notary Public, in and for the County and State above named, this 2nd day of March, 2016.



My Commission Expires: 2/5/18

KAREN L. JOHNSON
Notary Public, State of Ohio
My Comm. Expires Feb. 5, 2018