

PERRY NUCLEAR POWER PLANT

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December 16, 1993 PY-CEI/NRR-1738 L

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

> Perry Nuclear Power Plant Docket No. 50-441 Participation of Ohio Edison Company in NPP Unit 2

Gentlemen:

On December 13, 1993, Ohio Edison Company, one of the co-holders of Construction Permit CPPR-149 authorizing construction of the Perry Nuclear Power Plant Unit 2, announced that it will not participate in further construction of that unit. Ohio Edison's press release announcing this decision is attached hereto.

We are currently evaluating what effect this announcement will have on the pending application to extend Construction Permit CPPR-149, somitted on October 28, 1991 in letter PY-CEI/NRR-1377L. When that evaluation is complete, we will promptly inform the evaluation of the second sec

If you have questions c is a additional information, please contact Henry Hegrat - Regulatory Affairs at (216) 259-3737 extension 5606.

Sincerely,

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Robert A. Stratman

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Enclosure

cc: NRC Project Manager NRC Resident Inspector Office NRC Region III NRC Office of Nuclear Re or Regulation J. Williams - Ohio Emerg .y Management Agency A. Grandjean - Public Utility Commission of Ohio

oberating Companies Cleveland Electric Illuminating Toledo Edison FOR RELEASE: December 13, 1993

Ohio Edison Company 76 South Main Street Akron, Ohio 44308

Ralph J. DiNicola Director of Public Relations (216) 384-5939

Ohio Edison Company announced today that it will not participate in further construction of Unit 2 of the Perry Nuclear Power Plant, which was about 50 percent complete when work was suspended in 1985.

As a result, Fdison will take a one-time, noncash write-off against 1993 earnings. In addition to the Perry 2 write-off, Edison will also write off charges related to an expected resolution of fuel cost recovery issues in Pennsylvania and estimated costs associated with a comprehensive Company review of its business operations, such as identification of obsolete generating equipment inventory. Partially offsetting these charges will be a one-time, noncash credit that recognizes electricity used but unbilled at year end.

The effect on earnings for the year, including the credit, will be a net after-tax charge of approximately \$218 million, or \$1.43 per share of common stock. As of September 30, 12-month earnings per share were \$1.00, and retained earnings available for common stock dividends amounted to \$470.5 million.

"Closing the book on Perry 2 eliminates financial uncertainty without affecting our ability to maintain dividends at current levels," said Willard R. Holland, president and chief executive officer of Ohio Edison. "And with the steady

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CC: OFFICERS DEPARTMENT MANAGERS PLANT SUPERINTENDENTS

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COMMUNICATIONS SERVICES DECEMBER 13, 1993

improvement our business has shown in recent years, we have good reason to be confident in our ability to meet the challenges that lie ahead."

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Edison cited a number of developments this year that have strengthened its financial position:

- Adding 9,775 new customers through three quarters, including 180 industrial and 1,689 commercial customers;
- Generating \$653 million in cash from operations over the past 12 months, a \$34 million increase over year-earlier results;
- Closing six old coal-fired generating units that should reduce operating costs by \$5 million annually and cut capital eeds by \$100 million;
- Offering qualifying employees early retirement programs this year and last that should produce annual savings of about \$10 million; and
- Refinancing more than \$700 million in seturities, which will reduce annual expenses by about \$11 million.

In addition, Edison's ongoing performance review has identified a number of opportunities to increase revenues, achieve further cost reductions and improve operating efficiencies. These opportunities will ultimately increase cash flow and improve the Company's competitive position. For example, the review has already identified savings of more than \$30 million through improvements in Edison's materials management process.

Edison's regular quarterly dividend of 37.5 cents per share of common stock will be paid as scheduled on December 31, 1993.

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