

PERRY NUCLEAR POWER PLANT

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Donald C. Shelton
SENIOR VICE PRESIDENT
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U.S. Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555

Perry Nuclear Power Plant
Docket No. 50-440

License Amendment Request: Revise the Facility Operating License to Reflect the License Transfer for Part of Ohio Edison Company's Ownership Interest

Gentlemen:

Attached is an application for an amendment to the Perry Nuclear Power Plant (PNPP) Unit Number 1 Operating License Number NPF-58. The proposed license amendment would change the operating license to reflect the license transfer for part of Ohio Edison Company's (Ohio Edison) ownership interest in PNPP Unit 1 to its wholly owned subsidiary, OES Nuclear Inc. (OES). The proposed amendment would revise the license to include OES as a licensee and note and explain the subsidiary relationship between OES and Ohio Edison. Ohio Edison has requested the Nuclear Regulatory Commission's approval of the transfer under 10 CFR 50.80 in "Ohio Edison's Application For License Transfer In Connection With Sale And Related Transactions" filed November 17, 1995.

Attachment 1 to this letter provides summary information regarding the proposed amendment. Attachment 2 provides a copy of the marked up Operating License pages. Attachment 3 provides the Safety Assessment and Significant Hazards Consideration.

If you have questions or require additional information, please contact Mr. J. D. Kloosterman, Manager - Regulatory Affairs, at (216) 280-5833.

Very truly yours,

TAH:vh

Attachments

cc: NRC Project Manager
NRC Senior Resident Inspector
NRC Region III
State of Ohio

Operating Companies
Cleveland Electric Illuminating
Toledo Edison

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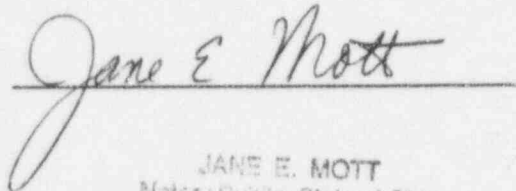
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I, Donald C. Shelton, being duly sworn state that (1) I am Senior Vice President, Nuclear of the Centerior Service Company, (2) I am duly authorized to execute and file this certification on behalf of The Cleveland Electric Illuminating Company and Toledo Edison Company, and as the duly authorized agent for Duquesne Light Company, Ohio Edison Company, and Pennsylvania Power Company, and (3) the statements set forth herein are true and correct to the best of my knowledge, information and belief.



Donald C. Shelton

Sworn to and subscribed before me, the 22nd day of November,
1995.



JANE E. MOTT
Notary Public, State of Ohio
My Commission Expires Feb. 20, 2000
(Recorded in Lake County)

CODED/8838/SC

SUMMARY INFORMATION REGARDING THE PROPOSED AMENDMENT

SUMMARY INFORMATION REGARDING THE PROPOSED AMENDMENT

The following information is provided to support issuance of the requested changes to Perry Nuclear Power Plant (PNPP), Unit Number 1, Facility Operating License Number NPF-58.

I. INTRODUCTION

The Cleveland Electric Illuminating Company (CEI), Duquesne Light Company, Ohio Edison Company (Ohio Edison), Pennsylvania Power Company and the Toledo Edison Company (collectively the owners) and the Centerior Service Company (CSC) are holders of Facility Operating License No. NPF-58 (the operating license) for PNPP. The operating license authorizes the owners to possess PNPP and authorizes CEI and CSC to use and operate PNPP in accordance with the conditions, limitations, and procedures set forth in the operating license.

Pursuant to 10 C.F.R. § 50.80, Ohio Edison has requested the Nuclear Regulatory Commission (NRC) to approve a license transfer for part of Ohio Edison's ownership interest in the Perry plant to its wholly owned subsidiary, OES Nuclear Inc. (OES). Ohio Edison holds a 30% interest in PNPP Unit 1. It holds title to 17.42% of PNPP Unit 1 and leases another 12.58% of PNPP Unit 1 pursuant to the sale and leaseback transactions previously authorized by amendment 2 to the PNPP license. The proposed transactions which give rise to Ohio Edison's request for NRC approval concern Ohio Edison's 17.42% ownership interest in PNPP Unit 1. The details of the transactions are described in "Ohio Edison's Application For License Transfer In Connection With Sale And Related Transactions" filed with the NRC on November 17, 1995.

This license amendment request is made to add OES as a licensee to the PNPP operating license upon implementation of the above transfer. The amendment is solely administrative in nature and involves no significant environmental impacts or significant hazards consideration.

II. REQUESTED REGULATORY ACTION

This application requests the NRC to amend the PNPP operating license upon the transfer becoming effective to add OES as a licensee to the PNPP operating license and to make any other conforming changes to the license deemed necessary to reflect the transfer. The requested changes to the license are:

1. Add "OES Nuclear, Inc." to the Title as a licensee of PNPP Unit 1.

2. Add "OES Nuclear, Inc." to Paragraph 1.A and footnote "*" of the license as a named licensee, along with adding the following footnote (**) explaining the relationship between Ohio Edison and OES:

"OES Nuclear, Inc. is a wholly owned subsidiary of Ohio Edison Company. OES Nuclear, Inc. owns a portion of the 30% interest in Perry Nuclear Power Plant Unit No. 1 attributable to Ohio Edison Company. Ohio Edison Company remains fully responsible for all costs and expenses, including decommissioning expenses, relating to the portion of the Perry Nuclear Power Plant Unit No. 1 owned by OES Nuclear, Inc. for the duration of the license through completion of plant decommissioning. OES Nuclear, Inc. was added as a licensee by Amendment No. ___ to this license."

3. Add "OES Nuclear, Inc." to paragraphs 2, 2.A, 2.B.(2), and 2.C.(3).
4. Add "OES Nuclear, Inc." to the Title of Appendix C.
5. Change "five" to "six" in Appendix C, Paragraph A, definition of "Applicants".

A markup of the current operating license for PNPP Unit 1 showing the requested amendment changes is included at Attachment 2.

III. NATURE OF THE AMENDMENT

The requested amendment consists of merely administrative changes to have the license reflect the transfer of part of Ohio Edison's interest in PNPP Unit 1 to OES. In Long Island Lighting Co. (Shoreham Nuclear Power Station, Unit 1). CLI-92-4, 35 NRC. 69, 77 (1992), the Commission noted that after a license transfer is finalized, there remains a need for administrative purposes to have the license changed to reflect the name of the new licensee. Such is the purpose of the amendment here.

IV. ANALYSIS OF NO SIGNIFICANT HAZARDS CONSIDERATION

The proposed amendment involves no significant hazards consideration. In Long Island Lighting Co., the Commission noted that a license amendment reflecting an effective license transfer "presents no safety questions and clearly involves no significant hazards considerations." 35 NRC. at 77, n.6.

The proposed amendment involves no change to PNPP, the manner in which PNPP is operated, or the personnel who operate PNPP. Further, the amendment involves no physical change to the facility itself nor any change to the plant technical specifications or plant programs, plans or procedures. Therefore, the proposed amendment involves no increase in the probability or consequences of an accident previously evaluated, does not create the possibility of a new or different kind of accident from any accident previously evaluated, or involve any reduction in a margin of safety. Accordingly, under the tests set forth in 10 C.F.R. § 50.92(c) the proposed amendment involves no significant hazards consideration.

The determination that the proposed amendment does not involve a significant hazards consideration is described in more detail in Attachment 3.

V. ENVIRONMENTAL ASSESSMENT

The proposed amendment to the PNPP license is purely administrative in nature with no environmental impacts. Accordingly, the amendment satisfies the criteria for "categorical exclusion" set forth in 10 C.F.R. § 51.22(c)(10) and, pursuant to 10 C.F.R. § 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with issuing the proposed amendment.

VI. EFFECTIVE DATE

The purpose of the license amendment is to have the PNPP Unit 1 license reflect, upon finalization, the license transfer requested by "Ohio Edison's Application For License Transfer In Connection With Sale And Related Transactions" filed with the NRC on November 17, 1995. As stated in that application, upon approval by the NRC, the proposed sale by Ohio Edison to OES is to occur on or before December 31, 1995. Accordingly, it is requested that the NRC issue this amendment on December 31, 1995 or as soon thereafter as is practicable.

MARKED-UP PAGES OF THE LICENSE
SHOWING THE REQUESTED AMENDMENT CHANGES



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

CLEVELAND ELECTRIC ILLUMINATING COMPANY

CENTERIOR SERVICE COMPANY

DUQUESNE LIGHT COMPANY

OHIO EDISON COMPANY

PENNSYLVANIA POWER COMPANY

TOLEDO EDISON COMPANY

DOCKET NO. 50-440

PERRY NUCLEAR POWER PLANT, UNIT NO. 1

FACILITY OPERATING LICENSE

License No. NPF-58

1. The Nuclear Regulatory Commission (the Commission) has found that:

- A. The application for license filed by the Cleveland Electric Illuminating Company* (CEICO) and Centerior Service Company acting on their own behalf and as agents for the Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and the Toledo Edison Company (licensees) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
- B. Construction of the Perry Nuclear Power Plant, Unit No. 1 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-148 and the application, as amended, the provisions of the Act, and the regulations of the Commission;
- C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission, (except as exempted from compliance in Section 2.D below);
- D. There is reasonable assurance: (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I (except as exempted from compliance in Section 2.D below);

OES NUCLEAR, INC.

OES Nuclear, Inc.

OES Nuclear, Inc.

*Cleveland Electric Illuminating Company and Centerior Service Company (both of which are wholly-owned subsidiaries of Centerior Energy Corporation) are authorized to act as agents for Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and the Toledo Edison Company, and have exclusive responsibility and control over the physical construction, operation and maintenance of the facility. Centerior Service Company was added as a licensee by Amendment No. 36.

** See Note on page 1a.

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NOTE: (Paragraph 1.A footnote)

OES Nuclear, Inc. is a wholly owned subsidiary of Ohio Edison Company. OES Nuclear, Inc. owns a portion of the 30% interest in Perry Nuclear Power Plant Unit No. 1 attributable to Ohio Edison Company. Ohio Edison Company remains fully responsible for all costs and expenses, including decommissioning expenses, relating to the portion of the Perry Nuclear Power Plant Unit No. 1 owned by OES Nuclear, Inc. for the duration of the license through completion of plant decommissioning. OES Nuclear, Inc. was added as a licensee by Amendment No. ___ to this license.

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- E. The Cleveland Electric Illuminating Company is technically qualified to engage in the activities authorized by this license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
 - F. The licensees have satisfied the applicable provisions of 10 CFR Part 140 "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of this Facility Operating License No. NPF-58, subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.
2. Based on the foregoing findings regarding this facility, the Partial-Initial Decisions issued December 2, 1983 and September 3, 1985 by the Atomic Safety and Licensing Board in regard to this facility (affirmed by ALAB-841 dated July 25, 1986) and pursuant to approval by the Nuclear Regulatory Commission at a meeting on November 7, 1986, Facility Operating License No. NPF-58, which supersedes the license for fuel loading and low power testing, License No. NPF-45, issued on March 18, 1986, is hereby issued to the Cleveland Electric Illuminating Company, Centerior Service Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and Toledo Edison Company (the licensees) to read as follows:

OES Nuclear Inc.

OES Nuclear, Inc.

- A. The license applies to the Perry Nuclear Power Plant, Unit No. 1, a boiling water nuclear reactor and associated equipment (the facility), owned by the Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and the Toledo Edison Company. The facility is located on the shore of Lake Erie in Lake County, Ohio, approximately 35 miles northeast of Cleveland, Ohio and is described in the licensees' Final Safety Analysis Report, as supplemented and amended, and in the licensees' Environmental Report, as supplemented and amended.
- B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) The Cleveland Electric Illuminating Company (CEICO)* pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use and operate the facility at the designated location in Lake County, Ohio, in accordance with the procedures and limitations set forth in this license;

*The CEICO nuclear organization reports to Centerior Service Company.

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OES Nuclear, Inc.

- (2) Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and Toledo Edison Company, to possess the facility at the designated location in Lake County, Ohio, in accordance with the procedures and limitations set forth in this license;
- (3) CEICO, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;
- (4) CEICO, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use at any time any byproduct, source and special nuclear material such as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
- (5) CEICO, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction as to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
- (6) CEICO, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.
- (7)(a) Ohio Edison Company is authorized to transfer any portion of its 30.0% ownership share in PNPP Unit 1 and a proportionate share of its interest in the PNPP common facilities to certain equity investors identified in its submission of January 23, 1987, as supplemented on March 3, 1987, and at the same time to lease back from such purchasers such interest sold in the PNPP Unit 1 facility. The term of the lease is for approximately 29-1/2 years subject to a right of renewal. Such sale and leaseback transactions are subject to the representations and conditions
(Continued on Page 3a)

C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

CEICO is authorized to operate the facility at reactor core power levels not in excess of 3579 megawatts thermal (100% power) in accordance with the conditions specified herein.

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(2) Technical Specifications

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, as revised through Amendment No. 36 are hereby incorporated into this license. Cleveland Electric Illuminating Company shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Antitrust Conditions

a. Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and the Toledo Edison Company shall comply with the antitrust conditions delineated in Appendix C to this license; Appendix C is hereby incorporated into this license.

OES Nuclear, Inc.)

b. Centerior Service Company (CSC) shall comply with the antitrust conditions delineated in Appendix C to this license as if named therein. CEICO is responsible and accountable for the actions of CSC to the extent that CSC's actions contravene the antitrust license conditions in Appendix C to this license.

(4) Post-Fuel Loading Initial Test Program (Section 14, SSER #3)*

Any changes to the Initial Test Program described in Section 14 of the FSAR made in accordance with the provisions of 10 CFR 50.59 shall be reported in accordance with 50.59(b) within one month of such change.

(5) Inservice Inspection Program (Section 6.6.3, SSER #7)

Within six (6) months after exceeding 5% of rated thermal power, CEICO shall submit the Initial Inservice Inspection Program required by 10 CFR 50.55(a) for the NRC staff's review and approval.

(6) Fire Protection (Section 9.5, SER, SSER #1, 2, 3, 4, 7 and 8)

CEICO shall comply with the following requirements of the fire protection program: CEICO shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report as amended, for the Perry Nuclear Power Plant and as approved in the Safety Evaluation Report (NUREG-0887) dated May 1982 and Supplement Nos. 1 thru 10 thereto, subject to the following provisions:

a. CEICO 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.

*The parenthetical notation following the title of many license conditions denotes the section of the Safety Evaluation Report (SER) and/or its supplements wherein the license condition is discussed.

November 13, 1986

APPENDIX C
PERRY NUCLEAR POWER PLANT, UNIT NO. 1
NPF-58
ANTITRUST CONDITIONS
FOR
CLEVELAND ELECTRIC ILLUMINATING COMPANY
DUQUESNE LIGHT COMPANY
OHIO EDISON COMPANY
PENNSYLVANIA POWER COMPANY
TOLEDO EDISON COMPANY

OES NUCLEAR, INC.

A. The licensees are subject to the following antitrust conditions:

Definitions

Applicants shall mean the ~~five~~ ^{SIX} companies listed above.

Entity shall mean any electric generation and/or distribution system or municipality or cooperative with a statutory right or privilege to engage in either of these functions.

Wheeling shall mean transportation of electricity by a utility over its lines for another utility, including the receipt from and delivery to another system of like amounts but not necessarily the same energy. Federal Power Commission, The 1970 National Power Survey, Part 1, p. I-24-8.

Licensing Conditions

- (1) Applicants shall not condition the sale or exchange of wholesale power or coordination services upon the condition that any other entity:
 - (a) enter into any agreement or understanding restricting the use of or alienation of such energy or services to any customers or territories;
 - (b) enter into any agreement or understanding requiring the receiving entity to give up any other power supply alternatives or to deny itself any market opportunities;
 - (c) withdraw any petition to intervene or forego participation in any proceeding before the Nuclear Regulatory Commission or refrain from instigating or prosecuting any antitrust action in any other forum.

SAFETY ASSESSMENT AND SIGNIFICANT HAZARDS CONSIDERATION

SAFETY ASSESSMENT AND SIGNIFICANT HAZARDS CONSIDERATION

Title

Proposed Revision Of Facility Operating License Number NPF-58 For The Perry Nuclear Power Plant, Unit 1 To Reflect Transfer Of License For A Portion Of Ohio Edison Company's Ownership Interest In Unit 1 To Its Wholly Owned Subsidiary, OES Nuclear Inc.

Description of Proposed License Amendment

Ohio Edison Company (Ohio Edison) has requested the Nuclear Regulatory Commission (NRC), in "Ohio Edison's Application For License Transfer In Connection With Sale And Related Transactions" filed with the NRC on November 17, 1995, to approve the license transfer for a portion of Ohio Edison's ownership interest in the Perry Nuclear Power Plant (PNPP) Unit 1 to its wholly owned subsidiary, OES Nuclear Inc. (OES). The reason for the transfer is for Ohio Edison to reduce its fixed operating costs in anticipation of a more competitive marketplace for electricity.

The purpose of the proposed license amendment is to change the operating license to reflect the above transfer. The proposed amendment would revise the license to include OES as a licensee and note and explain the subsidiary relationship between OES and Ohio Edison.

Effects On Safety

The proposed license amendment reflecting the transfer is wholly administrative in nature. It will not impact the operation of PNPP by Cleveland Electric Illuminating Company (CEI) and Centerior Service Company (CSC). The proposed amendment involves no physical changes to the facility. Further, the proposed amendment will not affect PNPP's Technical Specifications, license conditions, or the organization, personnel and practices of CEI and CSC. CEI and CSC will continue to be responsible for the operation and maintenance of PNPP and the CEI and CSC management organization and technical personnel so responsible will not be affected by the proposed license amendment. The proposed amendment will also have no affect on the PNPP quality assurance program, security program, training program or emergency planning.

Because the proposed changes are administrative, it is concluded that they would have no adverse effect on safety.

Significant Hazards Consideration

The standards used to arrive at a determination that a request for amendment involves no significant hazards considerations are included in the Commission's Regulations at 10 C.F.R. § 50.92. These standards are whether the operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated, (2) create the possibility of a new or different kind of accident from any previously evaluated, or (3) involve a significant reduction in a margin of safety.

1. The proposed changes do not involve a significant increase in the probability or consequences of an accident previously evaluated.

The proposed changes to the PNPP Operating License are administrative and have no effect on the PNPP facility, programs, personnel or any plant systems. All Limiting Conditions for Operation, Limiting Safety Systems Settings, and Safety Limits specified in the Technical Specifications will remain unchanged. This change meets one of the examples of a change not likely to involve a significant hazards consideration in that it is a purely administrative change. 48 Fed. Reg. 14,864 (1983).

2. The proposed changes do not create the possibility of a new or different kind of accident from any accident previously evaluated.

The proposed changes to the PNPP Operating License are administrative and have no effect on the PNPP facility, programs, personnel or any plant systems. PNPP's design and design bases will remain unchanged as will All Limiting Conditions for Operation, Limiting Safety Systems Settings, and Safety Limits specified in the Technical Specifications. This change meets one of the examples of a change not likely to involve a significant hazards consideration in that it is a purely administrative change. 48 Fed. Reg. 14,864 (1983).

3. The proposed changes do not involve a significant reduction in the margin of safety.

The proposed changes to the PNPP Operating License are administrative and have no effect on the PNPP facility, programs, personnel or any plant systems. All Limiting Conditions for Operation, Limiting Safety Systems Settings, and Safety Limits specified in the Technical Specifications will remain unchanged. This change meets one of the examples of a change not likely to involve a significant hazards consideration in that it is a purely an administrative change. 48 Fed. Reg. 14,864 (1983).