



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO AMENDMENT NO. 81 TO FACILITY OPERATING LICENSE NO. NPF-58
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, ET AL.
PERRY NUCLEAR POWER PLANT, UNIT NO. 1
DOCKET NO. 50-440

1.0 INTRODUCTION

By letter dated November 22, 1995, the Cleveland Electric Illuminating Company, et al. (licensees), proposed revising the operating license to reflect the license transfer for part of Ohio Edison Company's (Ohio Edison) ownership interest in Perry Nuclear Power Plant, Unit 1 (PNPP) to its wholly owned subsidiary, OES Nuclear, Inc. (OES).

2.0 EVALUATION

Under cover of a letter dated November 17, 1995, from Shaw, Pittman, Potts and Trowbridge, Ohio Edison submitted its request for approval of its intended transfer of its 17.42-percent ownership interest (less the ownership interest in the accompanying transmission facilities) to a newly formed wholly owned subsidiary, OES Nuclear, Inc. (OES). The other licensees would remain the same and would not be affected by the proposed transfer.

Ohio Edison would make payments to OES in an amount sufficient for OES to pay its expenses and would retain full responsibility for the costs of operating, maintaining, and decommissioning the interest in PNPP Unit 1 transferred to OES. OES will be an "electric utility" as defined in 10 CFR 50.2, and thus is exempt from further financial qualifications review as specified in 10 CFR 50.33(f). Ohio Edison will continue to be an "electric utility" as defined in 10 CFR 50.2, and thus is also exempt from any further financial qualifications review. Given the financial arrangement between Ohio Edison and OES, and that both will be licensees, the transfer will result in no adverse impact with respect to financial qualifications.

Since the Cleveland Electric Illuminating Company and Centerior Service Company are the only authorized operators and the transfer would not affect their staff, plant operations would not be affected by the transfer. OES will be bound by the existing antitrust license conditions now obligating Ohio Edison, and Ohio Edison will remain obligated to these same antitrust license conditions after the proposed transfer. Ohio Edison has also asserted that it and OES are not owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

The NRC staff approved the proposed transfer by order dated December 20, 1995, and the transfer has now taken place. Based on the above, and the transfer having been effected, the NRC staff finds that adding OES to the license is acceptable.

3.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Ohio State official was notified of the proposed issuance of the amendment. The State official had no comments.

4.0 ENVIRONMENTAL CONSIDERATION

This amendment involves a change in administrative requirements to reflect an order issued by the NRC staff. The Commission has previously issued a proposed finding that this amendment involves no significant hazards consideration and there has been no public comment on such finding (60 FR 65685). Accordingly, this amendment meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(10). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the issuance of this amendment.

5.0 CONCLUSION

The staff has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public.

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Date: February 27, 1996