



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

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO THE TRANSFER OF FACILITY OPERATING LICENSES FROM
DUQUESNE LIGHT COMPANY
TO PENNSYLVANIA POWER COMPANY AND FIRSTENERGY NUCLEAR OPERATING
COMPANY AND APPROVAL OF CONFORMING AMENDMENTS
LICENSES NOS. DPR-66 AND NPF-73
BEAVER VALLEY POWER STATION, UNITS 1 AND 2
DOCKET NOS. 50-334 AND 50-412

Because of the numerous parties involved in this application, the following acronyms and abbreviations are used in the discussion below:

BVPS-1	Beaver Valley Power Station, Unit 1
BVPS-2	Beaver Valley Power Station, Unit 2
BVPS-1 and 2	Beaver Valley Power Station, Units 1 and 2
CAPCO	Central Area Power Coordination Group
CEI	The Cleveland Electric Illuminating Company
DLC	Duquesne Light Company
FE	FirstEnergy Corporation
FENOC	FirstEnergy Nuclear Operating Company
FERC	Federal Energy Regulatory Commission
IRS	Internal Revenue Service
NRC	Nuclear Regulatory Commission
OE	Ohio Edison Company
OES	OES Nuclear Incorporated
PaPUC	Pennsylvania Public Utility Commission
Penn Power	Pennsylvania Power Company
TE	Toledo Edison Company

1.0 INTRODUCTION

By application dated May 5, 1999, as supplemented June 22 and July 30, 1999 (collectively "the application" unless otherwise noted), DLC and FENOC, acting for itself and on behalf of Penn Power, requested Nuclear Regulatory Commission (NRC) approval of: the direct transfer of Operating Licenses (OLs) DPR-66 and NPF-73 to the extent held by DLC in connection with its 47.5-percent ownership interest in BVPS-1 and 13.74-percent ownership interest in BVPS-2 to Penn Power; the transfer of DLC's operating authority under the OLs to FENOC; and conforming amendments to reflect the transfers. This application requests that the NRC,

pursuant to 10 CFR 50.80, issue an order consenting to the transfers. Penn Power is an existing co-owner of BVPS-1 but is not currently an existing owner of BVPS-2. The June 22, 1999, supplement to the initial application provided clarifying information; the July 30, 1999, letter withdrew portions of the amendment request which would have made editorial changes that do not pertain to the transfer of plant ownership or the operating authority. These supplements did not expand the scope of the initial application as originally noticed in the *Federal Register*.

2.0 BACKGROUND

FE indirectly owns 52.50-percent of BVPS-1 through its subsidiaries as follows: OE owns 35.00 percent and Penn Power owns 17.5 percent. DLC, an electric utility not a corporate affiliate of FE, currently holds the remaining 47.5 percent ownership interest in BVPS-1, which represents approximately 385 megawatts. FE indirectly owns 86.26 percent of BVPS-2 through its subsidiaries as follows: OE owns 41.88 percent, TE owns 19.91 percent, and CEI owns 24.47 percent. DLC currently holds the remaining 13.74 percent ownership interest in BVPS-2, which represents approximately 113 megawatts. The BVPS-1 and 2 operating licenses currently authorize these companies, all of which are electric utilities, to possess BVPS-1 and 2 as owners. DLC is currently also authorized to operate BVPS-1 and 2.

On October 14, 1998, DLC and FE agreed, in principle, to the transfer of 1436 megawatts of capacity owned by DLC at eight (three nuclear and five coal-fired) generating units in exchange for 1328 megawatts of capacity at three coal-fired power plants owned by FE subsidiaries, Penn Power and CEI, subject to the requested regulatory approvals. On March 25, 1999, CEI and Penn Power signed a Nuclear Generation Conveyance Agreement (Conveyance Agreement) with DLC, wherein DLC agreed to convey , and CEI and Penn Power agreed to acquire, DLC's ownership interests in Perry and BVPS-1 and 2 (Perry Nuclear Power Plant, Unit 1, is addressed in a separate Safety Evaluation Report). At the same time, DLC, CEI, and Penn Power signed a Generation Exchange Agreement (Exchange Agreement), which provides for the transfer of CEI and Penn Power wholly owned coal-fired plants in Ohio and Pennsylvania to DLC. The three coal-fired plants will then be included in DLC's planned auction of its generating assets pursuant to a restructuring plan approved by the PaPUC on May 29, 1998.

Penn Power is a wholly owned subsidiary of OE, which, in turn, is a wholly owned subsidiary of FE. FENOC is a wholly owned subsidiary of FE, organized for the purpose of operating nuclear power plants owned by electric subsidiaries of FE. After the proposed transfers, Penn Power will own DLC's current ownership interests in BVPS-1 and 2, and FENOC will become the licensed operator of BVPS-1 and 2. Implementation of the Conveyance Agreement and the Exchange Agreement would result in the exchange of nuclear and coal-fired generating assets such that BVPS-1 and 2 would be wholly owned and operated by FE subsidiaries.

3.0 FINANCIAL QUALIFICATION ANALYSIS

The following financial qualifications analysis is based on the information provided in the application.

Penn Power, a Pennsylvania Corporation, is a wholly owned subsidiary of OE, an Ohio Corporation, which, in turn, is a wholly owned subsidiary of FE, another Ohio Corporation. FE is an electric utility holding company registered under the Public Utility Holding Act of 1935. Penn Power's purpose will remain the same as it is now, which is to engage principally in the generation, transmission, and distribution of electric energy to residential, commercial, and industrial customers in Pennsylvania. Penn Power is an electric utility within the definition set forth in 10 CFR 50.2. Penn Power will continue to generate and distribute electricity and to recover the costs of this electricity through rates authorized by the PaPUC and the FERC. Therefore, Penn Power submits that it is not required to meet the requirements of 10 CFR 50.33(f) applicable to non-electric utility applicants. The NRC staff finds that Penn Power is, and will remain, an electric utility after the acquisition of DLC's 47.50-percent ownership interest in BVPS-1 and 13.74-percent ownership interest in BVPS-2, and that no further specific demonstration of financial qualifications is needed, consistent with 10 CFR 50.33(f).

Under the "Order Approving Application Regarding Merger Agreement Between Centerior Energy Corporation and Ohio Edison Company Affecting Licenses DPR-66 and NPF-73," dated June 19, 1997, Penn Power is already required to provide the Director of the Office of Nuclear Reactor Regulation a copy of any application seeking to transfer from Penn Power those electric utility assets having a depreciated book value exceeding 10-percent of its consolidated net utility plant to any FE affiliated company. This requirement will not be altered and will remain in force after the instant transfer has been completed.

On the basis of the information submitted in the application, the NRC staff finds that Penn Power is financially qualified to hold the BVPS-1 and BVPS-2 licenses to the extent proposed in the application.

The application states, "The FirstEnergy subsidiaries holding ownership interests in Beaver Valley Power Station, Units No. 1 & 2, will be responsible for all operating and maintenance expenses and any other financial obligations arising under the Beaver Valley Power Station, Units No. 1 & 2 licenses." In light of the foregoing, and because FENOC is seeking approval with respect to transferring operating authority only, and not authority to own or possess the facility, no separate financial qualifications analysis of FENOC is necessary.

4.0 ANTITRUST

The Atomic Energy Act does not require or authorize antitrust reviews of post-OL transfer applications. Kansas Gas and Electric Co., et. al. (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC __, slip op. (June 18, 1999). Therefore, since the transfer application postdates the issuance of the BVPS-1 and 2 operating licenses, no antitrust review is required or authorized.

5.0 FOREIGN OWNERSHIP

FENOC is an Ohio corporation. Its principal place of business has been Ohio, and upon the transfer of the BVPS licenses it will also conduct business in Pennsylvania. Penn Power is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, and does business in Pennsylvania. The application provides the names and addresses of Penn Power's directors and principal officers, as well as those of FENOC.

According to the application, all of Penn Power's and FENOC's directors and principal officers are citizens of the United States. Additionally, the application states, "neither FENOC nor Penn Power are owned, controlled or dominated by an alien, foreign corporation, or foreign government." The NRC staff does not know or have any reason to believe otherwise.

6.0 DECOMMISSIONING FUNDING

The NRC has determined that the requirements to provide assurance of decommissioning funding and provision of an adequate amount of decommissioning funding are necessary to ensure the adequate protection of public health and safety.

In accordance with 10 CFR 50.33(k), an application for an operating license for a utilization facility must contain information indicating how reasonable assurance will be provided that funds will be available to decommission the facility.

CEI, OE, TE, Penn Power, and DLC recently filed decommissioning reports with the NRC in accordance with 10 CFR 50.75(f)(1) and are providing financial assurance for decommissioning their respective interests in BVPS-1 and 2 through external sinking funds in which deposits are made at least annually. As rate-regulated entities, all prospective owners of BVPS-1 and 2 are currently allowed to use the external sinking fund method of decommissioning assurance. Following the transfer of the DLC ownership interest in BVPS-1 and 2, the FE companies will continue to use the external sinking fund method and either have funds available or make additional annual contributions sufficient to meet the NRC minimum fund requirements in 10 CFR 50.75(c), consistent with the financial assurance requirements of 10 CFR 50.75(e). In connection with the transfer of DLC's ownership interest in BVPS-1 and 2, DLC will transfer the existing decommissioning funds of approximately \$42.5 million for BVPS-1 and approximately \$8.8 million for BVPS-2, as of December 31, 1998, and DLC will provide additional decommissioning funding to cover the shortfall in funding for BVPS-1 and 2 as provided in Section 6.19.1 of the Conveyance Agreement for BVPS-1 and Section 6.19.2 for BVPS-2. Subject to certain adjustments pursuant to Section 6.19 of the Conveyance Agreement, DLC will provide \$25.5 million in additional funds for BVPS-1 for a total of approximately \$68.0 million, and \$10.3 million in additional funds for BVPS-2 for a total of approximately \$19.1 million. DLC and Penn Power agree to use their best efforts to secure a tax-advantaged transfer of DLC's decommissioning funds. If the necessary IRS rulings are not obtained, DLC will be responsible for ensuring that Penn Power receives an equivalent amount of additional funding on an after-tax basis, as provided in Section 6.19 of the Conveyance Agreement.

The staff finds the foregoing decommissioning funding arrangements acceptable, provided their completion is a condition to approval of the transfers of the licenses.

7.0 NUCLEAR INSURANCE

The provisions of the Price-Anderson Act (Section 170 of the Atomic Energy Act) require that Penn Power and FENOC be added (or remain subject) to the current BVPS-1 and BVPS-2 indemnity agreement. In accordance with the Price-Anderson Act, Penn Power and FENOC will also be required to provide primary insurance of \$200 million and participate in the secondary retrospective insurance pool. These requirements can be met by purchasing insurance policies from the nuclear liability insurance pool, American Nuclear Insurers. Penn Power and FENOC also will be required to maintain property insurance as specified in 10 CFR 50.54(w). The staff does not have any reason to believe that Penn Power and FENOC will be

unable to meet the statutory and regulatory insurance requirements applicable to all power reactor licensees.

Consistent with NRC practice, the staff will require Penn Power and FENOC to provide satisfactory documentary evidence that Penn Power and FENOC have obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations, prior to the issuance of the amended licenses reflecting Penn Power and FENOC as licensees. Since the issuance of the amended licenses is directly tied to the consummation of the transfers, the order approving the transfers will contain the following condition:

Penn Power and FENOC shall, prior to completion of the subject transfers, provide the Director, Office of Nuclear Reactor Regulation, satisfactory documentary evidence that Penn Power and FENOC have obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

8.0 TECHNICAL QUALIFICATIONS

8.1 Basis and Guidance for NRC Evaluation

In addition to the BVPS-1 and 2 technical specifications (TSs) and Updated Final Safety Analysis Reports (UFSARs), the staff used the following regulations and guidance in performing its evaluation: 10 CFR 50.40(b), "Common Standards"; Standard Review Plan (SRP), NUREG-0800, Section 13.1.1, "Management and Technical Support Organization"; SRP, Sections 13.1.2-13.1.3, "Operating Organizations"; and American National Standards Institute (ANSI) N18.1-1971, "Selection and Training of Nuclear Power Plant Personnel," as endorsed by Regulatory Guide 1.8, Revision 2, "Qualification and Training of Personnel for Nuclear Power Plants, April 1987.

The overall purpose of this review is to ensure that the corporate organization and technical staff of the proposed operating entity, FENOC, are sufficiently qualified to provide support for safe plant operation.

8.2 Evaluation: Management and Technical Support Organization

Applying the basis and guidance for NRC evaluation, listed at the beginning of this section, the staff reviewed the applicants' submittal to determine the acceptability of the FENOC corporate-level management and technical support organization. The review included an examination of each of the following criteria. For clarity, the evaluation follows the appropriate criteria listed in bold.

8.2.1. **The organizational groups responsible for implementation of technical support for operation of the facility are identified and described.**

In the application, DLC and FENOC stated that substantially all of DLC's nuclear organization and substantially all of DLC's nuclear employees at BVPS-1 and 2 will become FENOC employees. The submittal further states that the existing DLC technical support organizations, as described in the UFSAR, that are not currently assigned to the site will become part of FENOC, will continue to perform these functions on behalf of FENOC, or will transfer their functions to FENOC employees or contractors meeting the UFSAR technical support requirements for these functions.

The existing requirements in the BVPS-1 and 2 TSs and UFSARs are unchanged by this license transfer and conforming amendments. The existing requirements pertaining to shift staffing and personnel qualifications will continue to apply directly to the operations of BVPS-1 and 2 after the transfer of ownership and operating licenses. The groups responsible for implementing the necessary technical support for operation of BVPS-1 and 2 are identified and described. The staff concludes that technical support for operation of BVPS-1 and 2 is appropriately identified and described and is, therefore, acceptable.

8.2.2. The methods for implementing the technical support and operation of BVPS-1 and 2 are described.

In the application, DLC and FENOC stated that the technical qualifications of relevant FENOC personnel and the functions, responsibilities, and reporting relationships of these personnel will continue to meet the technical support requirements of the UFSAR. The proposed transfer has been planned to ensure that the performance of these personnel is unaffected by the transfer and there is no disruption to the operation of BVPS-1 and 2.

The existing requirements in the BVPS-1 and 2 TSs and UFSARs are unchanged by the license transfers and conforming amendments. The existing requirements pertaining to shift staffing and personnel qualifications will continue to apply directly to the operations of BVPS-1 and 2 after the transfer of ownership and operating licenses. The methods for implementing the technical support for operation of BVPS-1 and 2 are identified and described. The staff concludes that the methodology for implementing the technical support and operation of BVPS-1 and 2 is appropriately described and is, therefore, acceptable.

8.2.3. The organizational structure provides for the integrated management of activities that support the operation and maintenance of BVPS-1 and 2.

In the application, DLC and FENOC stated that the existing BVPS-1 and 2 organization will be substantially preserved intact; the only immediate change will involve the position of a senior nuclear executive at BVPS-1 and 2 (FENOC Vice President - BVPS) which will be held by a FENOC employee. The FENOC Vice President - BVPS will continue to be the senior executive responsible for the overall safe operation and maintenance of BVPS-1 and 2.

Requirements for the onsite and offsite organizations are contained in Section 6, "Administrative Controls," of the BVPS-1 and BVPS-2 TSs. The organizational structure for BVPS-1 and 2 is described in Chapter 13, "Conduct of Operations," and Chapter 17, "Quality Assurance," of the BVPS-2 UFSAR. Under 10 CFR 50.54, any changes to the quality assurance program description that reduce the commitments must be submitted to the NRC and must receive NRC approval before implementation. No changes to the organizational structure were proposed in the application, or in any other separate application. Therefore, the existing requirements in the BVPS-1 and 2 TSs and UFSARs are unchanged by the license transfers and conforming amendments and shall continue to apply directly to the operation of BVPS-1 and 2 after the transfer of ownership and operating licenses. On the basis of this information, the staff concludes that the organizational structure as currently described in the BVPS-2 UFSAR which provides for the integrated management of activities, will continue to provide for the integrated management of activities, given the absence of any proposed changes.

8.2.4. Clear management control and effective lines of authority and communications exist between the organizational units involved in the management, operations, and technical support for operation of BVPS-1 and 2.

In the application, DLC and FENOC organization charts were submitted that depict the relationships of the corporate structure. The application and the organization chart described the management and communications pathways that will exist at the FENOC corporate level between FENOC and the BVPS-1 and 2 plants. The Vice President-BVPS will be elected and appointed to his position by the FENOC Board of Directors. The Vice President - BVPS will report to the FENOC President, who will report to the FENOC Board of Directors.

The reporting and communication chain from BVPS-1 and 2 through the Vice President - BVPS to the FENOC President allows BVPS-1 and 2 access to additional FENOC and FE resources that may be needed to support plant operation.

On the basis of this information, the staff concludes that clear management control and effective lines of authority and communications will exist between the organizational units of FENOC and BVPS-1 and 2.

8.2.5. Substantive breadth and level of experience and availability of personnel exist to implement the responsibility for technical support for operation of BVPS-1 and 2.

The two most senior FENOC persons, who are to be assigned responsibilities for BVPS-1 and 2, exhibit sufficient experience and nuclear knowledge to implement their individual responsibilities for technical support for the operation of BVPS-1 and 2. Both individuals have more than 20 years' experience in the management, operations, and maintenance of commercial nuclear power facilities. Additionally, they meet the required qualifications of Regulatory Guide 1.8 and ANSI-N18.1-1971, "Selection and Training of Nuclear Power Plant Personnel."

On the basis of this information, the staff concludes that the level of experience of corporate personnel responsible for BVPS-1 and 2 is acceptable.

8.2.6. The corporate-level management and technical support structure should be free of ambiguous assignments of primary responsibility. A corporate officer should clearly be responsible for nuclear activities, without having ancillary responsibilities that might detract from attention to nuclear safety matters.

In the application, DLC and FENOC stated that the Vice President - BVPS will be the senior nuclear executive responsible for implementing all activities associated with the overall safe and reliable operation of BVPS-1 and 2. This individual will be clearly responsible for nuclear activities, will not have non-nuclear ancillary responsibilities, and will be free of ambiguous assignments of primary responsibility.

On the basis of the fact that the Vice President - BVPS will be the senior nuclear executive responsible for the safe operation of BVPS-1 and 2, the NRC staff concludes that corporate-level management will not be distracted from paying attention to nuclear safety matters.

8.3 Operating Organization

Since the entire BVPS-1 and 2 organization will remain substantially intact, according to the application, it will continue to provide the same level of activities through the existing lines of authority and communication. On the basis of the commitment of FENOC to maintain the personnel qualification level and the direct transfer of the existing requirements in the BVPS-1 and 2 TSs and UFSARs, the NRC staff concludes that the proposed BVPS-1 & 2 organization is acceptable and meets the criteria described in SRP Section 13.1.2-13.1.3, "Operating Organization."

8.4 The Staff's Conclusions On Technical Qualifications

FENOC has described its organization and personnel qualifications for the management of and the means for providing technical support to the plant staff for operation of BVPS-1 and 2 after the license transfers. The staff has reviewed the management and the technical support organization and has concluded that FENOC has an acceptable organization and adequate resources to provide technical support for the operation of BVPS-1 and 2 under both normal and off-normal conditions.

The application adequately addresses the relevant requirements of 10 CFR 50.40(b), and the findings of the staff contribute to the judgment that FENOC is technically qualified to operate BVPS-1 and BVPS-2 and that FENOC has the necessary managerial and technical resources to provide assistance to BVPS-1 and 2. The staff, therefore, concludes that FENOC meets the relevant criteria, and, therefore, has an acceptable management and technical support organization to provide adequate technical support for the operation of the facility.

9.0 CONFORMING AMENDMENTS

9.1 Introduction

As stated previously, the application requested approval of proposed conforming amendments to the BVPS-1 and 2 Facility OLs, DPR-66 and NPF-73. The requested changes replace references to DLC in the license with references to Penn Power or FENOC, as appropriate, to reflect the proposed change in ownership and license transfers. Supplemental information received after the initial *Federal Register* notice of the application did not affect the applicability of the Commission's generic no significant hazards consideration determination set forth in 10 CFR 2.1315.

9.2 Discussion

The changes to be made to the license are indicated in Enclosures 2 and 3. These changes do no more than accurately reflect the approval of the transfer actions, which approval is subject to the conditions set forth in the Order approving the transfers. The amendments involve no safety questions and are administrative in nature. Accordingly, the proposed amendments are acceptable.

9.3 State Consultation

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

9.4 Conclusion With Respect to the Conforming Amendment

The Commission has concluded on the basis of the considerations previously discussed, 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 the amendments will not be inimical to the common defense and security or to the health and safety of the public.

10.0 COMMENTS RECEIVED

On July 23, 1999, the Commission issued a Memorandum and Order (CLI-99-23) that, among other actions, directed the staff to consider comments from Local 29, International Brotherhood of Electrical Workers (Local 29), in its evaluation of the BVPS-1 and 2 license transfer application.

Local 29 had requested intervention, which the Commission denied in CLI-99-23. Local 29 expressed the following concerns about the application in a letter dated June 3, 1999:

- a. In the application, FENOC did not indicate how it will determine staff levels for BVPS-1 and 2, how many current DLC employees at BVPS-1 and 2 will continue to be employed at the station as FENOC employees, or whether the number of employees and experience levels of those employees will be sufficient to ensure the safe operation of BVPS-1 and 2.
- b. The application does not provide any specific details regarding whether or how the operation of BVPS-1 & 2 will change after the transfer of ownership and operating license, and what impact that transfer will have on the safe operation of BVPS-1 and 2.

On September, 24, 1999, the Commission issued another Memorandum and Order (CLI-99-25) that, among other actions, directed the NRC staff to consider comments from a second petition from Local 29, dated September 15, 1999, in the staff's evaluation of the BVPS-1 and 2 license transfer application.

In the second petition, Local 29 expressed its concerns that a FENOC proposal to reduce staffing of union positions will result in unsafe operation of BVPS-1 and BVPS-2 (FENOC has proposed eliminating the jobs of 134 members of Local 29; Local 29 identified 104 of the positions that it believes are directly related to the safe operation of the plants).

As a general matter, business decisions regarding plant staffing, beyond the shift operating crew, personnel qualification, and organizational structure requirements which are specified in the TSs and UFSARs, are not specifically subject to the NRC's regulatory regime. Rather, the Commission's regulations and licenses specify operation, maintenance, and inspection requirements for equipment important to safety which licensees are required to satisfy in order to ensure safe operation of the plant and ensure the health and safety of the public. It is the licensee's responsibility to provide sufficient resources to ensure that these requirements are

met. The licenses impose restrictions on plant operations when these requirements are not met. Additionally, the NRC oversees licensees' activities through its inspection programs to ensure that all NRC requirements are being satisfied. The existing requirements in the BVPS-1 and 2 TSs and UFSARs will be unchanged in connection with the proposed license transfers and conforming amendments. These include requirements pertaining to shift operating crews, personnel qualification, organizational structure, as well as the operation and maintenance of equipment important to safety. As with any license, FENOC will be required to meet all NRC requirements with respect to ensuring safe operation of the facility, and will be subject to any appropriate NRC remedies in this regard. FENOC is currently the licensed operator for both the Perry and Davis-Besse nuclear power plants and has adequately demonstrated its ability to safely manage, operate, and maintain nuclear power plants. Moreover, the NRC will be engaged in ongoing and routine inspection activities at Beaver Valley to ensure that BVPS-1 and 2 continue to be operated and maintained safely in accordance with the existing license requirements.

11.0 ENVIRONMENTAL CONSIDERATION

The subject application is for approval of a transfer of licenses issued by the NRC and approval of conforming amendments. Accordingly, the action involved meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with approval of the application.

12.0 CONCLUSION

In view of the foregoing discussion, the NRC staff concludes that Penn Power is financially qualified to acquire DLC's ownership interests and FENOC is technically qualified to operate BVPS-1 and 2. Also, the staff concludes there are no problematic antitrust or foreign ownership considerations that arise from the proposed transfers. Thus, the NRC staff concludes that Penn Power and FENOC are qualified to hold the BVPS-1 and BVPS-2 licenses to the extent proposed in the application, and that the transfer of the licenses is otherwise consistent with the applicable provisions of law, regulations, and orders by the Commission pursuant thereto, subject to the conditions stated in this safety evaluation.

Principal Contributors: M. Dusaniwskyj
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Date: September 30, 1999

*Rec'd DHPM
9/28*

*Adensom
cc: Dan Collins
T. Mendicino*

ACTION

EDO Principal Correspondence Control

FROM: DUE: 10/07/99

EDO CONTROL: G19990485
DOC DT: 09/16/99
FINAL REPLY:

PA Sens. Gerald LaVille, and J. Barry Stout
PA Reps. Nick Colafella, Susan Laughlin,
Victor Lescovitz, and Mike Veon
PA Comms. Bea Schulte, Dan Donatella, and
Nancy Loxley

TO:

William Beecher, OPA

FOR SIGNATURE OF : ** GRN ** CRC NO: 99-0798

EDO

DESC:

URGES NRC TO DENY REQUEST FOR TRANSFER OF
OWNERSHIP INTEREST IN NUCLEAR GENERATING
FACILITIES FROM DUQUESNE LIGHT COMPANY TO
FIRSTENERGY

ROUTING:

Travers
Paperiello
Miraglia
Norry
Blaha
Burns
Miller, RI
Cyr, OGC

DATE: 09/28/99

ASSIGNED TO: CONTACT:

NRR Collins

SPECIAL INSTRUCTIONS OR REMARKS:

Add EDO and Commission on for concurrence.
Chairman and Commission to review response prior
to dispatch.

*NRR Action: DHPM: mjwolinski
NRR Received: September 28, 1999
NRR Routing: Collins/mjimmerman
ADIP
Sharon
NRR Mailroom*

ACTION
DUE TO NRR DIRECTOR'S OFFICE
BY <u>10/4/99</u>

*DC
9/28*

OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET

PAPER NUMBER: CRC-99-0798

LOGGING DATE: Sep 27 99

ACTION OFFICE: EDO

AUTHOR: GERALD LAVALLE, J STOUT
AFFILIATION: PENNSYLVANIA

ADDRESSEE: WILLIAM BEECHER

LETTER DATE: Sep 16 99 FILE CODE: IDR 5 DUSQUESNE

SUBJECT: URGES THE NRC TO DENY REQUEST FOR TRANSFER OF
OWNERSHIP INTERESTS IN NUCLEAR GEN FAC FM DUQUESNE
LIGHT COMPANY TO FIRSTENERGY....

ACTION: Signature of EDO

DISTRIBUTION: RF

SPECIAL HANDLING: SECY TO ACK

CONSTITUENT:

NOTES: OCM #4712

DATE DUE: Oct 12 99

SIGNATURE:
AFFILIATION:

DATE SIGNED:

Commission Correspondence

EDO --G19990485