



76 South Main Street
Akron, Ohio 44308

Paul A. Harden
Senior Vice President and Chief Operating Officer

June 30, 2015
L-15-195

10 CFR 50.80

ATTN: Document Control Desk
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT:
Perry Nuclear Power Plant
Docket No. 50-440, License No. NPF-58
Application for Order Consenting to Transfer of Licenses and Approving Conforming License Amendments

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and 10 CFR 50.80, FirstEnergy Nuclear Operating Company (FENOC) acting as agent for and on behalf of FirstEnergy Nuclear Generation, LLC (FENGen) and the Ohio Edison Company (OE), hereby submits the enclosed application to the Nuclear Regulatory Commission (NRC) requesting consent to the transfer of the leased interests in Perry Nuclear Power Plant (PNPP) and approval of an administrative amendment to conform the license to reflect the proposed transfer. FENOC requests an order consenting to the transfer from OE to FENGen of OE's 12.58 percent leased interest in PNPP.

This application also requests conforming administrative amendments to the PNPP license to:

1. Reflect the proposed transfer of leased interests in PNPP from OE to FENGen;
2. Delete OE from the PNPP license; and
3. Authorize FENGen to possess the respective leased interests in PNPP being transferred by OE.

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

CONFIDENTIAL COMMERCIAL MATERIAL TO BE WITHHELD FROM PUBLIC
DISCLOSURE PURSUANT TO 10 CFR 2.390 AND 10 CFR 9.17

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In accordance with NRC requirements, five year *pro forma* financial projections are provided. This financial information is confidential commercial information, and FENOC requests that Exhibit G be withheld from public disclosure pursuant to 10 CFR 2.390 and 10 CFR 9.17(a)(4). A redacted version of Exhibit G suitable for public disclosure is provided in the non-proprietary version of this application (Enclosure A). A confidential version of Exhibit G is provided in Enclosure C. An affidavit supporting the request for withholding Enclosure C from public disclosure is provided in Enclosure B.

The proposed transfers will be consistent with the requirements set forth in the AEA, NRC regulations, and the relevant NRC licenses and orders. No physical changes will be made to PNPP, and there will be no changes in the day-to-day operation of the plant as a result of these transfers. The proposed transfers will not have any adverse impact on the public health and safety, nor will these transfers be inimical to the common defense and security. The application solely requests approval for the transfer of ownership interests within the same FirstEnergy Corp. (FE) family of companies. FENOC requests that the NRC consent to the transfers of control in accordance with 10 CFR 50.80 and approve the conforming license amendments.

FENOC requests that the NRC review this application on a schedule that will permit the issuance of NRC consent to the transfers of control and conforming license amendments as soon as practicable. Approval is requested by no later than April 15, 2016. Such consent should be immediately effective upon issuance and should permit the transfer to occur at 12:00 a.m. on May 31, 2016. The conforming license amendment should be issued effective May 31, 2016. FENOC does not anticipate any other major required regulatory approvals that would impact the schedule for completing the transfer.

Service upon FENOC of comments, hearing requests, intervention petitions or other pleadings should be made to David W. Jenkins, Esq., FirstEnergy Corp., 76 South Main Street, Mail Stop A-GO-15, Akron, OH 44308, tel: (330) 384-5037, and email: djenkins@firstenergycorp.com.

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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.

I declare under penalty of perjury that the foregoing is true and correct. Executed on June 30, 2015.

Sincerely,



Paul A. Harden

Enclosures:

- A. Application with Exhibits
- B. Affidavit
- C. Proprietary Exhibit G

cc: NRC Region III Administrator (without Enclosure C)
NRC Resident Inspector (without Enclosure C)
NRR Project Manager (without Enclosure C)
Executive Director, Ohio Emergency Management Agency, State of Ohio
(NRC Liaison) (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.
Upon removal of Enclosure C, this letter is uncontrolled.

Enclosure A
L-15-195

Application with Exhibits
(50 pages follow)

**APPLICATION FOR ORDER CONSENTING
TO TRANSFER OF LICENSE AND
APPROVING CONFORMING LICENSE
AMENDMENTS**

JUNE 30, 2015

submitted by

FirstEnergy Nuclear Operating Company

on behalf of

FirstEnergy Nuclear Generation, LLC

and

Ohio Edison Company

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

**APPLICATION FOR ORDER CONSENTING TO TRANSFER OF LICENSE
AND APPROVING CONFORMING LICENSE AMENDMENTS**

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List of Exhibits

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| Exhibit A | Proposed Changes to the Facility Operating License and Technical Specifications Associated with the Proposed Transfer of the Leased Interest in PNPP to FENGEN |
| Exhibit B | No Significant Hazards Consideration Determination |
| Exhibit C | Simplified Corporate License Interest Structure before Transfer |
| Exhibit D | Simplified Corporate License Interest Structure after Transfer |
| Exhibit E | General Corporate Information Regarding FENGEN and Its Parent Companies |
| Exhibit F | Form of Support Agreement between FirstEnergy Solutions Corp. and FirstEnergy Nuclear Generation, LLC |
| Exhibit G | FirstEnergy Nuclear Generation, LLC Pro Forma Income Statements (Non-Proprietary Version) |

I. Introduction

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and 10 CFR 50.80, FirstEnergy Nuclear Operating Company (FENOC), acting as agent for and on behalf of FirstEnergy Nuclear Generation, LLC (FENGen) and the Ohio Edison Company (OE), hereby submits the enclosed application to the Nuclear Regulatory Commission (NRC) requesting consent to the transfer of the leased interests in Perry Nuclear Power Plant (PNPP). FENOC requests an order consenting to the transfer to FENGen of OE's 12.58 percent leased interest in PNPP.

This application also requests a conforming administrative amendment (see Exhibits A and B) to the PNPP license to:

1. Reflect the proposed transfer of leased interests in PNPP from OE to FENGen;
2. Delete OE from the PNPP license; and
3. Authorize FENGen to possess the leased interest in PNPP being transferred by OE.

FENGEN is currently licensed to possess 87.42 percent of PNPP. This application seeks to transfer the remaining interest in PNPP held by OE to FENGen. FENGen will own 100 percent of PNPP, and FENOC will continue to operate PNPP. This application also includes the required financial and other information to support its approval by NRC.

FENGen is a direct, wholly owned subsidiary of FirstEnergy Solutions Corp. (FES), which, in turn, is a direct, wholly owned subsidiary of FirstEnergy Corp. (FE). FE's 10 electric utility operating companies form one of the nation's largest investor-owned electric systems, with over 6 million customers served within a nearly 65,000-square-mile area of Ohio, Pennsylvania, New Jersey, West Virginia, Maryland, and New York. Its generation subsidiaries operate nearly 18,000 megawatts of capacity. In 2014, FE had revenues exceeding \$15 billion and net income of approximately \$300 million.

In accordance with NRC's requirements, five year *pro forma* financial projections are provided in Exhibit G. This financial information is confidential commercial information, and FENOC requests that Exhibit G be withheld from public disclosure pursuant to 10 CFR 2.390 and 10 CFR 9.17. A redacted version of Exhibit G suitable for public disclosure is provided in the non-proprietary version of this application. A confidential version of Exhibit G is provided in a separate enclosure. An affidavit supporting the request for withholding the confidential version of Exhibit G from public disclosure is also provided in a separate enclosure.

The information contained in this application demonstrates that FENGen possesses the requisite qualifications to own OE's existing leased interest in PNPP. The proposed transfer of control of OE's interest will not result in any change in the role of FENOC as the licensed operator of the facilities. Finally, this request for transfer of control of OE's interest in the PNPP license does not involve any entities that are owned, controlled, or dominated by a foreign entity.

In summary, the proposed transfer will be consistent with the requirements set forth in the AEA, NRC regulations, and the relevant NRC licenses and orders. No physical changes will be made to PNPP, and there will be no changes in the day-to-day operation of those plants as a result of these transfers. The proposed transfer will not have any adverse impact on the public health and safety, nor will these transfers be inimical to the common defense and security. The application solely requests approval for the transfer of an ownership interest within the same FE family of companies. FENOC respectfully requests that the NRC consent to the transfers of control in accordance with 10 CFR 50.80 and approve the conforming license amendments.

II. Statement of Purpose of the Transfer and Nature of the Transaction Making the Transfer Necessary or Desirable

As part of corporate restructurings in 2005 and 2006, FE established FES as its affiliate responsible for the purchase and sale of electricity in competitive markets. A wholly owned subsidiary of FES – FirstEnergy Generation Corp. (Fossil GenCo) – was created to own and operate the fossil and hydro generation facilities formerly owned and operated by the regulated wires companies. Fossil GenCo is an exempt wholesale generator (EWG) and sells the output of its portfolio of generation to FES pursuant to a purchased power contract approved by the FERC. FES, in turn, sells its power into competitive wholesale and retail markets at market based rates.

FENGen performs the same function as Fossil GenCo for the nuclear facilities owned by the FE subsidiaries, with the notable exception that FENOC continues to perform its role as the licensed operator for the FE fleet of nuclear plants – PNPP, the Beaver Valley Power Station (BVPS), and the Davis-Besse Nuclear Power Station (DBNPS). FENGen is an EWG, and sells the output of its plants to FES under a cost-based wholesale contract approved by the FERC and previously reviewed by NRC in connection with the 2005 and 2006 restructuring activities. Thus, majority ownership of PNPP, BVPS, and DBNPS was transferred to FENGen to further implement the restructuring of FE's electric utility operations and to enhance the ability of FE and its subsidiaries to compete in electric energy markets. However, at that time, OE's 12.58 percent interest in PNPP was subject to sale-leaseback arrangements that were entered into in 1987, and this interest was not transferred to FENGen. Instead, OE entered into commercial arrangements whereby FENGen acquired the rights to this 12.58 percent of PNPP's electrical output and responsibility for the associated costs of this interest in PNPP.

The lease arrangements for the OE's 12.58 percent interest in PNPP expire on May 30, 2016, and FENGen has acquired the rights to own this 12.58 percent interest beginning May 31, 2016. Thus, FENGen requires NRC's prior written consent so that this interest in PNPP may be transferred from OE to FENGen at 12:00 a.m. on May 31, 2016. The conforming license amendment can be issued effective May 31, 2016.

III. Supporting Information

A. General Corporate Information

The proposed licensee for the transferred interest in PNPP is FENGen. The parent companies of FENGen are reflected in Exhibits C and D (Exhibit C provides the license interest structure before the transfer; Exhibit D provides the proposed structure after the transfer.) The information regarding each corporate entity required by 10 CFR 50.33(d)(3) is provided in Exhibit E.

All of the current directors and executive personnel of the corporate entities are citizens of the United States, and their mailing addresses are as shown for their respective corporate entities.

B. Foreign Ownership or Control

FE is a publicly traded company, and its securities are traded on the New York Stock Exchange and are widely held. Section 13(d) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. 78m(d), requires that a person or entity that owns or controls more than 5 percent of the securities of a company must file notice with the Securities and Exchange Commission (SEC). Based upon filings with the SEC, FE is not aware of any aliens, foreign corporations, or foreign governments that hold or may hold beneficial ownership of more than 5 percent of the securities of FE. No foreign entities have any representation on FE's Board of Directors or rights to appoint any managers or directors of FE.

The current directors and executive officers of FE, FES, and FENGen are United States citizens. There is no reason to believe that the Applicant is owned, controlled, or dominated by any alien, foreign corporation, or foreign government. Thus, the transfer of control of the leased interests will not result in any foreign ownership, domination, or control of these entities within the meaning of the Atomic Energy Act of 1954, as amended.

C. No Agency

In seeking to increase its interests in PNPP, FENGen is not acting as the agent or representative of any other person or entity.

D. Technical Qualifications

The technical qualifications of FENOC are not affected by the proposed transfers of control of OE's leased interest in PNPP to FENGen. There will be no physical changes to PNPP and no changes in the day-to-day operations of FENOC in connection with the transfers of OE's leased interests in PNPP. FENOC will at all times remain the licensed operator of PNPP, and there will be no changes in the FENOC senior management team resulting from the proposed license transfers.

E. Financial Qualifications

General information regarding FE and FES is provided in their 2014 Annual Report (Form 10-K), which is available at:

<http://www.sec.gov/Archives/edgar/data/1407703/000103129615000011/fe-12312014x10k.htm>

FENGen currently has a financial support agreement with FE in the total amount of \$400 million that is sufficient to provide assurance that adequate funds will be available to fund ongoing operations and maintenance expenses with respect to all of FENGen's interests in BVPS, PNPP, and DBNPS. Financial information regarding FE, including its Consolidated Statements of Income and Consolidated Balance Sheet, is provided at Pages 110-114 of the Form 10-K. It had more than \$15 billion in revenue and net income of nearly \$300 million in 2014. The value of its depreciated property, plant, and equipment in service exceeded \$35 billion, and its common stockholder's net equity exceeded \$12 billion as of December 31, 2014.

In connection with the proposed transfer, FENGen proposes to terminate the existing agreement with FE, and enter into a new financial support agreement with FES in the amount of \$400 million. A copy of the form of this agreement is provided as Exhibit F. Financial information regarding FES, including its Consolidated Statements of Income and Consolidated Balance Sheet, is provided at Pages 115-118 of the Form 10-K. It had more than \$6 billion in revenue and negative net income of approximately \$244 million in 2014. The value of its depreciated property, plant, and equipment in service exceeded \$9 billion, and its common stockholder's net equity exceeded \$5.5 billion as of December 31, 2014. This Application constitutes the 30 days prior notice required by Section 4 of the termination of the existing FE support agreement upon FES's execution of the Form of Support Agreement. FES intends to promptly execute the support agreement upon receipt of NRC's approval of the proposed license transfer as described in this Application.

In accordance with 10 CFR 50.33(f) and the Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance (NUREG-1577, Rev. 1) (Standard Review Plan), FENGen's Pro Forma Income Statements for the 5-year period from January 1, 2016 until December 31, 2020 are provided in Exhibit G. Projected cash flows for the same period are also provided in Exhibit G. Exhibit G is proprietary and is therefore provided in a separate enclosure to this submittal, and as previously stated, FENOC requests that this be withheld from public disclosure. A redacted version of Exhibit G, suitable for public disclosure, is included with this application.

FENGen and FES have entered into a power supply agreement through which FENGen will recover its operating, maintenance, and capital costs associated with its interest in PNPP, including the 12.58 percent being transferred from OE. FENGen recovers its costs under the power supply agreement, even if the nuclear units do not operate. FES currently has investment grade ratings of Baa3 issued by Moody's and of BBB- by Standard & Poor's for its senior unsecured debt. (See Form 10-K, Page 74.) Notably, under NRC's Standard Review Plan (Section III.1.b), an applicant that maintains an investment grade credit rating from at least two credible rating agencies is presumed to meet the financial qualifications test. Thus, these ratings

support FES' financial capability to meet its obligations under both the power supply agreement and the \$400 million financial support agreement.

The Pro Forma Income Statement provided in Exhibit G shows that the expected revenues of FENGen from the sale of capacity and energy received under the power supply agreement will cover FENGen's estimated annual operating costs, for the five calendar years 2016 through 2020, for its interest in PNPP. This Pro Forma Income Statement reflects results based upon the current business plan for operating PNPP. The assumed capacity factors are provided in Exhibit G. However, even if PNPP does not operate as expected, FENGen will recover FENOC's costs of operation through the base demand and energy charges in the power supply agreement and through a "formula rate" provision permitting FENGen to recover increases in its capital expenditures and operating expenses that exceed its base demand and energy charges during the contract term.

In addition to the assurance of the availability of funds to cover costs through the power supply agreement, FENGen will be able to call upon funds pursuant to the \$400 million financial support agreement between FES and FENGen described above. This provides further assurance that FENGen will have access to funds sufficient to pay its *pro rata* share of the fixed operating and maintenance (O&M) costs in the event of an unanticipated plant shutdown. Pursuant to this support agreement, FES will make up to \$400 million in funding available to FENGen to meet its obligations relating to its interests in the nuclear units that FENGen owns. This provides a source of funds that is approximately six months' worth of fixed O&M costs for the FENGen fleet of nuclear plants, as currently projected for the years 2016-2020.

Further, FES and its affiliate, Allegheny Energy Supply Company, LLC, participate in a five-year syndicated \$1.5 billion revolving credit facility, which is available until March 31, 2019. FES's individual sublimit under the facility is \$1.5 billion while Allegheny Energy Supply Company, LLC's sublimit is \$1.0 billion. As of March 31, 2015, there is \$1.177 billion of available liquidity under the facility. This provides an additional source of funds that exceeds six months' worth of fixed O&M costs for the FENGen fleet of nuclear plants.

F. Decommissioning Funding

The existing trust funds held by OE related to their leased interest in PNPP will be transferred to FENGen. The FENGen nuclear decommissioning trusts (NDTs) are held in external trust funds segregated from FENGen's assets and outside its administrative control. The funds are governed by the Master NDT Agreement with Mellon Bank, N.A. as Trustee, and the terms of that agreement comply with the requirements of 10 CFR 50.75(h)(1). The existing "Master Nuclear Decommissioning Trust Agreement" incorporating the terms required by 10 CFR 50.75(h)(1) will remain in effect and will govern the funds to be transferred by OE.

The NRC minimum amount of decommissioning funding assurance required for PNPP calculated pursuant to 10 CFR 50.75(c) (the "formula amount") is approximately \$679.59 million. Based upon the total balance of \$486.36 million as of December 31, 2014, the total NDT balance for PNPP, after the transfer is completed, is expected to exceed the pre-paid balance required to use the "prepayment method" under NRC's regulations in

10 CFR 50.75(e)(1)(i). By letter dated March 31, 2015 (ADAMS Accession No. ML15090A447), FENOC provided information to establish that the prepayment method is satisfied when earnings are credited as permitted by NRC's regulations using an assumed SAFSTOR approach to decommissioning.

G. No Antitrust Considerations

In accordance with the Commission's decision in *Kansas Gas and Electric Company* (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 N.R.C. 441 (1999), antitrust reviews of license transfer applications after initial licensing are not required by the AEA. The existing antitrust conditions in the licenses will continue in effect.

H. Nuclear Insurance

In accordance with Art. IV.2 of the NRC Price-Anderson Indemnity Agreement for PNPP, FENOC requests NRC approval of the assignment and transfer of OE's applicable interest in the Price Anderson Indemnity Agreement for PNPP to FENGen in connection with the proposed license transfer. FENGen currently maintains the required nuclear energy liability insurance pursuant to Section 170 of the AEA and 10 CFR 140, and it makes annual compliance filings in accordance with 10 CFR 140.21(e)-(f). FENGen also maintains required nuclear property damage insurance pursuant to 10 CFR 50.54(w) and 10 CFR 140.11.

I. Standard Contract for Disposal of Spent Nuclear Fuel

Upon transfer, FENGen will assume title to and responsibility for the storage and disposal of OE's transferred *pro rata* share of spent nuclear fuel at PNPP. OE will assign, and FENGen will assume, OE's rights and duties under the Standard Contract with the Department of Energy for PNPP.

J. Agreement to Limit Access to Restricted Data

The proposed transfer does not involve any Restricted Data or other Classified National Security Information or result in any change in access to such Restricted Data or Classified National Security Information. Existing restrictions on access to Restricted Data and Classified National Security Information are unaffected by the proposed transfers. In compliance with Section 145(a) of the Act and 10 CFR 50.37, "Agreement Limiting Access to Classified Information," FENOC agrees that it will appropriately safeguard such information and will not permit any individual to have access to such information until the individual has been appropriately approved for such access under the provisions of 10 CFR 25, "Access Authorization," and/or Part 95, "Facility Security Clearance and Safeguarding of National Security Information and Restricted Data."

K. Environmental Review

The proposed transfer will not result in any change in the types, or any increase in the amounts, of any effluents that may be released off-site, and will not cause any increase in individual or

cumulative occupational radiation exposure. Further, the NRC has determined in 10 CFR 51.22(c)(21) that license transfers are categorically exempt from further environmental review. Accordingly, the license transfer will involve no significant environmental impact.

IV. Effective Date and Other Regulatory Approvals

FENOC requests that the NRC review this application on a schedule that will permit issuance of an order consenting to the requested license transfer as promptly as practicable. In any event, approval is requested by no later than April 15, 2016. Such consent should be immediately effective upon issuance and should permit the transfer to occur at 12:00 a.m. on May 31, 2016. The conforming amendment should be issued effective May 31, 2016. FENOC does not anticipate any other major required regulatory approvals that are expected to impact the schedule for completing the transfer.

V. Conclusion

For the reasons stated above, FENOC respectfully submits that the proposed transfer of OE's leased interests in PNPP to FENGen is consistent with the requirements set forth in the AEA, NRC regulations, and the relevant NRC licenses and orders. FENOC, therefore, respectfully requests that, in accordance with Section 184 of the AEA and 10 CFR 50.80 and 10 CFR 50.92, the NRC consent to the transfer of the PNPP licenses to FENGen and approve the conforming administrative amendments associated with this transfer.

EXHIBIT A
PROPOSED CHANGES TO THE FACILITY OPERATING LICENSE AND
TECHNICAL SPECIFICATIONS ASSOCIATED WITH THE PROPOSED TRANSFER
OF THE LEASED INTEREST IN PNPP TO FENGEN

I. Reason for the Change

A 12.58 percent licensed interest in the Perry Nuclear Power Plant (PNPP), is being transferred to FirstEnergy Nuclear Generation, LLC (FENGen). This transfer requires the submittal of a conforming amendment to the license for PNPP. The proposed changes delete some references to the current leased interest of the Ohio Edison Company (OE) (the "Transferor") and replace them with references to FENGen. Conditions related to OE's sale-leaseback arrangements are also deleted, because they are no longer applicable. References to OE will be deleted from the PNPP license since this company will no longer possess any licensed interest in PNPP.

II. Basis for the Change

After the transfer of the ownership interest, Transferor will retain no responsibility for the regulatory obligations related to the transferred interest contained in the PNPP license. Accordingly, the entity to which these responsibilities are being transferred, FENGen, must be identified in the licenses.

III. Safety Assessment

The proposed changes to the license identify FENGen as the 100 percent owner of PNPP and make other minor administrative changes related to the transfer of ownership to FENGen. No physical modifications are being made to any plant systems or components, nor any changes to operations. Therefore, the proposed changes are administrative in nature and will not adversely affect nuclear safety or safe operation of these plants.

IV. Description of the Proposed Changes

The proposed changes to the PNPP license are included as part of this exhibit. The following pages provide a copy of the PNPP license marked with the proposed changes, and a copy of the re-typed PNPP license pages.

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

FIRSTENERGY NUCLEAR OPERATING COMPANY
FIRSTENERGY NUCLEAR GENERATION, LLC
~~OHIO EDISON COMPANY~~

Delete "Ohio 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 FirstEnergy Nuclear Operating Company (FENOC)¹ acting on its own behalf and as agent for FirstEnergy Nuclear Generation, LLC ~~and Ohio 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;

Delete "and Ohio Edison
Company,"

¹FENOC is authorized to act as agent for FirstEnergy Nuclear Generation, LLC ~~and Ohio Edison Company~~, and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

- 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);
- E. The FirstEnergy Nuclear Operating 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 FirstEnergy Nuclear Operating Company, FirstEnergy Nuclear Generation, LLC, and Ohio Edison Company; (the licensees) to read as follows:

Delete ","
Insert "and"

Delete ", and
Ohio Edison
Company,"

- 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 FirstEnergy Nuclear Generation, LLC (owner) and leased to Ohio Edison Company (lessee) (collectively the licensees).

Delete "and leased to Ohio
Edison Company (lessee)
(collectively the licensees)"

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:

Delete "and
Ohio Edison
Company,"

- (1) FENOC, 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;
- (2) FirstEnergy Nuclear Generation, LLC ~~and Ohio 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) FENOC, 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) FENOC, 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 fission detectors in amounts as required;
- (5) FENOC, 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) FENOC, 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 30.6% ownership share of 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 20 1/2 years subject to a right of~~

Delete the (7)(a) and (7)(b) paragraphs
and replace with "(7) Deleted"

~~renewal. Such sale and leaseback transactions are subject to the representations and conditions set forth in the above mentioned application of January 23, 1987, as supplemented on March 3, 1987, as well as the letter of the Director of the Office of Nuclear Reactor Regulation dated March 16, 1987, consenting to such transactions. Specifically, a lessor and anyone else who may acquire an interest under these transactions are prohibited from exercising directly or indirectly any control over the licenses of PNPP Unit 1. For purposes of this condition the limitations of 10 CFR 50.81, as now in effect and as may be subsequently amended, are fully applicable to the lessor and any successor in interest to that lessor as long as the license for PNPP Unit 1 remains in effect; these financial transactions shall have no effect on the license for the Perry Nuclear facility throughout the term of the license.~~

~~(b) Further, the licensee are also required to notify the NRC in writing prior to any change in: (i) the terms or conditions of any lease agreements executed as part of these transactions; (ii) the PNPP Operating Agreement; (iii) the existing property insurance coverage for PNPP Unit 1; and (iv) any action by a lessor or others that may have an adverse effect on the safe operation of the facility.~~

- 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 and hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

FENOC is authorized to operate the facility at reactor core power levels not in excess of 3758 megawatts thermal (100% power) in accordance with the conditions specified herein.

(2) Technical Specifications

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, as revised through Amendment No. 466, are hereby incorporated into the license. FENOC shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Antitrust Conditions

a. FirstEnergy Nuclear Generation Corp. and Ohio Edison Company

Delete "and Ohio Edison Company"

Amendment No. 466

Change "Owners
are" to "Owner is"

shall comply with the antitrust conditions delineated in Appendix C to this license; Appendix C is hereby incorporated into this license.

- b. FENOC shall comply with the antitrust conditions delineated in Appendix C to this license as if named therein. FENOC shall not market or broker power or energy from the Perry Nuclear Power Plant, Unit No. 1. ~~The Owners are~~ responsible and accountable for the actions of FENOC to the extent that said actions affect the marketing or brokering of power or energy from the Perry Nuclear Power Plant, Unit No. 1, and in any way, contravene the antitrust condition contained in the license.

(4) Deleted

(5) Deleted

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

FENOC shall comply with the following requirements of the fire protection program: FENOC 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 through 10 thereto, subject to the following provisions:

- a. FENOC 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.

(7) Deleted

(8) Deleted

(9) Deleted

(10) Deleted

(11) Mitigation Strategy License Condition

The licensee shall develop and maintain strategies for addressing large fires and explosions and that include the follow key areas:

- (a) Fire fighting response strategy with the following elements:
1. Predefined coordinated fire response strategy and guidance
 2. Assessment of mutual aid fire fighting assets
 3. Designated staging areas for equipment and materials

- 5a -

4. Command and control
 5. Training of response personnel
- (b) Operations to mitigate fuel damage considering the following:
1. Protection and use of personnel assets
 2. Communications
 3. Minimizing fire spread
 4. Procedures for implementing integrated fire response strategy
 5. Identification of readily-available pre-staged equipment
 6. Training on integrated fire response strategy
 7. Spent fuel pool mitigation measures
- (c) Actions to minimize release to include consideration of:
1. Water spray scrubbing
 2. Dose to onsite responders

(12) Control Room Habitability License Condition

Upon implementation of Amendment No. 148 adopting TSTF-448, Revision 3, the determination of control room envelope (CRE) unfiltered air inleakage as required by SR 3.7.3.4 in accordance with TS 5.5.14.c(i), and the assessment of CRE habitability as required by Specification 5.5.14.c(ii), shall be considered met. Following implementation:

- (a) The first performance of SR 3.7.3.4, in accordance with Specification 5.5.14.c(i), shall be within the specified Frequency of 6 years, plus the 18-month allowance of SR 3.0.2, as measured from December 2004, the date of the most recent successful tracer gas test as stated in the response to Generic Letter 2003-01 dated May 30, 2006, or within the next 18 months if the time period since the most recent successful tracer gas test is greater than 6 years.
- (b) The first performance of the periodic assessment of CRE habitability, Specification 5.5.14.c(ii), shall be within 3 years, plus the 9-month allowance of SR 3.0.2, as measured from December 2004, the date of the most recent successful tracer gas test as stated in the response to Generic Letter 2003-01 dated May 30, 2006, or within the next 9 months if the time period since the most recent successful tracer gas test is greater than 3 years.
- (c) The first performance of the periodic measurement of outside air intake and exhaust damper leakage, Specification 5.5.14.d, shall be within 24 months, plus the 184 days allowed by SR 3.0.2, as measured from the date of the most recent successful damper leakage test.

Amendment No. 148

-6-

- D. FENOC is exempted from: 1) the requirements of Section III.D.2(b)(ii), containment airlock testing requirements, Appendix J to 10 CFR Part 50, due to the special circumstance described in Section 6.2.6 of SER Supplement No. 7 authorized by 10 CFR 50.12(a)(2)(iii) and 2) the requirements of Section IV.F., Full Participation Exercise, of Appendix E to 10 CFR Part 50, due to the special circumstance described in the Exemption dated November 6, 1986. These exemptions are authorized by law, will not present an undue risk to the public health and safety, and are consistent with the common defense and security. The exemptions are hereby granted pursuant to 10 CFR 50.12. With the granting of these exemptions, the facility will operate, to the extent authorized herein, in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission.
- E. FENOC shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans, including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (61 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contain Safeguards Information protected under 10 CFR 73.21, is entitled: "Perry Nuclear Power Plant Physical Security Plan" Revision 2, submitted by letter dated May 18, 2006.
- FENOC shall fully implement and maintain in effect all provisions of the Commission-approved cyber security plan (CSP), including changes made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The FENOC CSP was approved by License Amendment No. 158.
- F. Deleted
- G. The licensees shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1964, as amended, to cover public liability claims.

Replace with Insert A
(see below)

- 7 -

H. This license is effective as of the date of issuance and shall expire at midnight on March 18, 2026.

3. ~~Based on the Commission's Order dated November 15, 2005 and the Commission's revised Order dated December 16, 2005 and conforming Amendment No. 137 dated December 16, 2005 regarding the direct transfer of the license from Pennsylvania Power Company, Ohio Edison Company, OES Nuclear, Inc., The Cleveland Electric Illuminating Company, and the Toledo Edison Company, to FirstEnergy Nuclear Generation Corp. (FENGenCo)*, FirstEnergy Nuclear Operating Company and FirstEnergy Nuclear Generation Corp.* shall comply with the following conditions noted below:~~

~~A. On the closing date(s) of the transfers to FENGenCo* of their interests in Perry, Pennsylvania Power Company, The Cleveland Electric Illuminating Company, Ohio Edison Company, OES Nuclear, Inc., and Toledo Edison Company shall transfer to FENGenCo* all of each transferor's respective accumulated decommissioning funds for Perry, except for funds associated with the leased portions of Perry, and tender to FENGenCo* additional amounts equal to remaining funds expected to be collected in 2005, as represented in the application dated June 1, 2005, but not yet collected by the time of closing. All of the funds shall be deposited in a separate external trust fund for the reactor in the same amount as received with respect to the unit to be segregated from other assets of FENGenCo* and outside its administrative control, as required by NRC regulations, and FENGenCo* shall take all necessary steps to ensure that this external trust fund is maintained in accordance with the requirements of the order approving the transfer of the license and consistent with the safety evaluation supporting the order and in accordance with the requirements of 10CFR Section 50.75, "Reporting and recordkeeping for decommissioning planning."~~

~~B. By the date of closing of the transfer of the ownership interests in Perry from Pennsylvania Power Company to FENGenCo*, FENGenCo* shall obtain a parent company guarantee from FirstEnergy in an initial amount of at least \$80 million (in 2005 dollars) to provide additional decommissioning funding assurance regarding such ownership interests. Required funding levels shall be recalculated annually and, as necessary, FENGenCo* shall either obtain appropriate adjustments to the parent company guarantee or otherwise provide any additional decommissioning funding assurance necessary for FENGenCo* to meet NRC requirements under 10 CFR 50.75.~~

~~* FirstEnergy Nuclear Generation Corp. (FENGenCo)* has been renamed FirstEnergy Nuclear Generation, LLC.~~

- ~~C. The Support Agreements described in the applications dated May 18, 2005 (up to \$80 million), and June 1, 2005 (up to \$400 million), shall be effective consistent with the representations contained in the applications. FENGenCo^a shall take no action to cause FirstEnergy, or its successors and assigns, to void, cancel, or modify the Support Agreements without the prior written consent of the NRC staff, except, however, the \$80 million Support Agreement in connection with the transfer of the Penn Power interests may be revoked or rescinded if and when the \$400 million support agreement described in the June 1, 2005, application becomes effective. FENGenCo^a shall inform the Director of the Office of Nuclear Reactor Regulation, in writing, no later than ten days after any funds are provided to FENGenCo^a by FirstEnergy under either Support Agreement.~~

FOR THE NUCLEAR REGULATORY COMMISSION

ORIGINAL SIGNED BY:

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Attachments/Appendices

1. Attachments 1 - 2
2. Appendix A - Technical Specifications
(NUREG -1204)
3. Appendix B - Environmental Protection
Plan
4. Appendix C - Antitrust Conditions

Date of Issuance: November 13, 1986

~~^a FirstEnergy Nuclear Generation Corp. (FENGenCo)^a has been renamed FirstEnergy Nuclear Generation, LLC.~~

Insert A:

"Based on the Commission's Order dated _____, 2016 regarding the direct transfer from Ohio Edison Company (OE) to FirstEnergy Nuclear Generation, LLC (FENGen), FENOC and FENGen shall comply with the following conditions noted below.

A. On June 1, 2016, OE shall transfer to FENGen the accumulated decommissioning funds held by OE for Perry. All such funds shall be deposited and held in FENGen nuclear decommissioning trust for Perry along with the other funds maintained by FENGen for Perry and shall be maintained in such trust outside of FENGen's administrative control and in accordance with the requirements of 10 CFR 50.75(h)(1).

B. The Support Agreement in the amount of \$400 million from FirstEnergy Solutions Corp. (FE Solutions) described in the application dated June 30, 2015 shall be effective and consistent with the representations in the application. FENGen shall take no action to void, cancel or modify the Support Agreement without the prior written consent of the NRC staff. FENGen shall inform the Director of the Office of Nuclear Reactor Regulation, in writing, no later than 10 working days after any funds are provided to FENGen by FirstEnergy Solutions under the terms of the Support Agreement.

C. Deleted"

APPENDIX C

PERRY NUCLEAR POWER PLANT, UNIT NO. 1

NPF-58

ANTITRUST CONDITIONS

FOR

FIRSTENERGY NUCLEAR GENERATION, LLC

~~OHIO EDISON COMPANY~~

Delete "Ohio Edison
Company"

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

Definitions

Replace "two companies" with
"company"

Applicants shall mean the ~~two 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. 1-24-8.

Change "Applicants"
to "Applicant"

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.

Change "Applicants"
to "Applicant"

- 2 -

(2) Applicants, and each of them, shall offer interconnections upon reasonable terms and conditions at the request of any other electric entity(ies) in the Combined CAPCO Company Territories (CCCT), such interconnection to be available (with due regard for any necessary and applicable safety procedures) for operation in a closed-switch synchronous operating mode if requested by the interconnecting entity(ies). Ownership of transmission lines and switching stations associated with such interconnection shall remain in the hands of the party funding the interconnection subject, however, to any necessary safety procedures relating to disconnection facilities at the point of power delivery. Such limitations on ownership shall be the least necessary to achieve reasonable safety practices and shall not serve to deprive purchasing entities of a means to effect additional power supply options.

(3) Applicants shall engage in wheeling for and at the request of other entities in the CCCT:

- (a) of electric energy from delivery points of Applicants to the entity(ies); and,
- (b) of power generated by or available to the other entity, as a result of its ownership or entitlements* in generating facilities, to delivery points of Applicants designated by the other entity.

Such wheeling services shall be available with respect to any unused capacity on the transmission lines of Applicants, ~~the use of which will not jeopardize Applicants' system. In the event Applicants must reduce wheeling services to other entities due to lack of capacity, such reduction shall not be effected until reductions of at least 5 percent have been made in transmission capacity allocations to other Applicants in these proceedings and thereafter shall be made in proportion to reductions** imposed upon other Applicants to this proceeding.~~

Insert "s"

Change "Applicants"
to "Applicant"

* "Entitlement" includes but is not limited to power made available to an entity pursuant to an exchange agreement.

** The objective of this requirement is to prevent the pre-emption of unused capacity on the lines of one Applicant by other Applicants or by entities the transmitting Applicant deems noncompetitive. Competitive entities are to be allowed the opportunity to develop bulk power services options even if this results in re-allocation of CAPCO (Central Area Power Coordination Group) transmission channels. This relief is required in order to avoid prolongation of the effects of Applicants' illegally sustained dominance.

Change "Applicants"
to "Applicant"

- 3 -

Applicants shall make reasonable provisions for disclosed transmission requirements of other entities in the CCCT in planning future transmission either individually or within the CAPCO grouping. By "disclosed" is meant the giving of reasonable advance notification of future requirements by entities utilizing wheeling services to be made available by Applicants.

- (4) (a) Applicants shall make available membership in CAPCO to any entity in the CCCT with a system capability of 10 Mw or greater;
- (b) A group of entities with an aggregate system capability of 10 Mw or greater may obtain a single membership in CAPCO on a collective basis;*
- (c) Entities applying for membership in CAPCO pursuant to License Condition 4 shall become members subject to the terms and conditions of the CAPCO Memorandum of Understanding of September 14, 1967, and its implementing agreements; except that new members may elect to participate on an equal percentage of reserve basis rather than a P/N allocation formula for a period of twelve years from date of entrance.** Following the twelfth year of entrance, new members shall be expected to adhere to such allocation methods as are then employed by CAPCO (subject to equal opportunity for waiver or special consideration granted to original CAPCO members which then are in effect).

* E.g., Wholesale Customer of Ohio Edison (WCOE).

** The selection of the 12-year period reflects our determination that an adjustment period is necessary since the P/N formula has a recognized effect of discriminating against small systems and forcing them to forego economies of scale in generation in order to avoid carrying excessive levels of reserves. We also found the P/N is not entirely irrational as a method of reserve allocation. We have observed that Applicants themselves provided adjustment periods and waivers to integrate certain Applicants into the CAPCO reserve requirement program. The 12-year period should permit new entrants to avoid initial discrimination but to accommodate and adjust to the CAPCO system over some reasonable period of time. Presumably new entrants will be acquiring ownership shares and entitlements during the 12-year period so that adverse consequences of applying the P/N formula will be mitigated.

Change "Applicants"
to "Applicant"

- 4 -

- (d) New members joining CAPCO pursuant to this provision of relief shall not be entitled to exercise voting rights until such time as the system capability of the joining member equals or exceeds the system capability of the smallest member of CAPCO which enjoys voting rights.*
- (5) → Applicants shall sell maintenance power to requesting entities in the CCCT upon terms and conditions no less favorable than those Applicants make available: (a) to each other either pursuant to the CAPCO agreements or pursuant to bilateral contract; or (b) to non-Applicant entities outside the CCCT.
- (6) → Applicants shall sell emergency power to requesting entities in the CCCT upon terms and conditions no less favorable than those Applicants make available: (a) to each other either pursuant to the CAPCO agreements or pursuant to bilateral contract; or (b) to non-Applicant entities outside the CCCT.
- (7) → Applicants shall sell economy energy to requesting entities in the CCCT, when available, on terms and conditions no less favorable than those available: (a) to each other either pursuant to the CAPCO agreements or pursuant to bilateral contract; or (b) to non-Applicant entities outside the CCCT.
- (8) → Applicants shall share reserves with any interconnected generation entity in the CCCT upon request. The requesting entity shall have the option of sharing reserves on an equal percentage basis or by use of the CAPCO P/N allocation formula or on any other mutually agreeable basis.
- (9) (a) → Applicants shall make available to entities in the CCCT access to the Davis-Besse 1, 2 and 3 and the Perry 1 and 2 nuclear units and any other nuclear units for which Applicants or any of them, shall apply for a construction permit or operating license during the

* Our objective is to prevent impediments to the operation and development of an area-wide power pool through the inability of lesser entities to respond timely or to make necessary planning commitments. While we grant new member entities the opportunity to participate in CAPCO it is not our intent to relieve joining entities of responsibilities and obligations necessary to the successful operation of the pool. For those smaller entities which do not wish to assume the broad range of obligations associated with CAPCO membership we have provided for access to bulk power service options which will further their ability to survive and offer competition in the CCCT.

next 25 years. Such access, at the option of the requesting entity, shall be on an ownership share, or unit participation or contractual pre-purchase of power basis.* Each requesting entity (or collective group of entities) may obtain up to 10% of the capacity of the Davis-Besse and Perry Units and 20% of future units (subject to the 25-year limitation) except that once any entity or entities have contracted for allocations totaling 10% or 20%, respectively, no further participation in any given units need be offered.

- (b) Commitments for the Davis-Besse and Perry Units must be made by requesting entities within two years after this decision becomes final. Commitments for future units must be made within two years after a construction permit application is filed with respect to such a unit (subject to the 25-year limitation) or within two years after the receipt by a requesting entity of detailed written notice of Applicants' plans to construct the unit, whichever is earlier; provided, however, that the time for making the commitment shall not expire until at least three months after the filing of the application for a construction permit. Where an Applicant seeks to operate a nuclear plant with respect to which it did not have an interest at the time of filing the application for the construction permit, the time periods for commitments shall be the same except that reference should be to the operating license, not the construction permit.

Insert "s"

- (10) Applicants shall sell wholesale power to any requesting entity in the CCCT, in amounts needed to meet all or part of such entity's requirements. The choice as to whether the agreement should cover all or part of the entity's requirements should be made by the entity, not the Applicant or Applicants.

Change "Applicants"
to "Applicant"

* Requesting entities' election as to the type of access may be affected by provisions of State law relating to dual ownership of generation facilities by municipalities and investor-owned utilities. Such laws may change during the period of applicability of these conditions. Accordingly, we allow requesting entities to be guided by relevant legal and financial considerations (including Commission regulations on nuclear power plant ownership) in fashioning their requests.

Change "Applicants"
to "Applicant"

- 6 -

- (11) These conditions are intended as minimum conditions and do not preclude Applicants from offering additional wholesale power or coordination services to entities within or without the CCCT. However, Applicants shall not deny wholesale power or coordination services required by these conditions to non-Applicant entities in the CCCT based upon prior commitments arrived at in the CAPCO Memorandum of Understanding or implementing agreements. Such denial shall be regarded as inconsistent with the purpose and intent of these conditions.

The above conditions are to be implemented in a manner consistent with the provisions of the Federal Power Act and all rates, charges or practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 29555-0001

FIRSTENERGY NUCLEAR OPERATING COMPANY
FIRSTENERGY NUCLEAR GENERATION, LLC

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 FirstEnergy Nuclear Operating Company (FENOC)¹ acting on its own behalf and as agent for FirstEnergy Nuclear Generation, LLC (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;

¹FENOC is authorized to act as agent for FirstEnergy Nuclear Generation, LLC and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

- 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);
 - E. The FirstEnergy Nuclear Operating 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 FirstEnergy Nuclear Operating Company and FirstEnergy Nuclear Generation, LLC, (the licensees) to read as follows:
- 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 FirstEnergy Nuclear Generation, LLC (owner).

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) FENOC, 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;
- (2) FirstEnergy Nuclear Generation, LLC 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) FENOC, 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) FENOC, 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 fission detectors in amounts as required;
- (5) FENOC, 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) FENOC, 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) Deleted

- 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

FENOC is authorized to operate the facility at reactor core power levels not in excess of 3758 megawatts thermal (100% power) in accordance with the conditions specified herein.

(2) Technical Specifications

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, as revised through Amendment No. TBD, are hereby incorporated into the license. FENOC shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Antitrust Conditions

- a. FirstEnergy Nuclear Generation Corp.

shall comply with the antitrust conditions delineated in Appendix C to this license; Appendix C is hereby incorporated into this license.

- b. FENOC shall comply with the antitrust conditions delineated in Appendix C to this license as if named therein. FENOC shall not market or broker power or energy from the Perry Nuclear Power Plant, Unit No. 1. The Owner is responsible and accountable for the actions of FENOC to the extent that said actions affect the marketing or brokering of power or energy from the Perry Nuclear Power Plant, Unit No. 1, and in any way, contravene the antitrust condition contained in the license.

(4) Deleted

(5) Deleted

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

FENOC shall comply with the following requirements of the fire protection program: FENOC 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 through 10 thereto, subject to the following provisions:

- a. FENOC 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.

(7) Deleted

(8) Deleted

(9) Deleted

(10) Deleted

(11) Mitigation Strategy License Condition

The licensee shall develop and maintain strategies for addressing large fires and explosions and that include the follow key areas:

- (a) Fire fighting response strategy with the following elements:
 - 1. Predefined coordinated fire response strategy and guidance
 - 2. Assessment of mutual aid fire fighting assets
 - 3. Designated staging areas for equipment and materials

- H. This license is effective as of the date of issuance and shall expire at midnight on March 18, 2026.
3. Based on the Commission's Order dated _____, 2016 regarding the direct transfer from Ohio Edison Company (OE) to FirstEnergy Nuclear Generation, LLC (FENGen), FENOC and FENGen shall comply with the following conditions noted below.
- A. On June 1, 2016, OE shall transfer to FENGen the accumulated decommissioning funds held by OE for Perry. All such funds shall be deposited and held in FENGen nuclear decommissioning trust for Perry along with the other funds maintained by FENGen for Perry and shall be maintained in such trust outside of FENGen's administrative control and in accordance with the requirements of 10 CFR 50.75(h)(1).
- B. The Support Agreement in the amount of \$400 million from FirstEnergy Solutions Corp. (FE Solutions) described in the application dated June 30, 2015 shall be effective and consistent with the representations in the application. FENGen shall take no action to void, cancel or modify the Support Agreement without the prior written consent of the NRC staff. FENGen shall inform the Director of the Office of Nuclear Reactor Regulation, in writing, no later than 10 working days after any funds are provided to FENGen by FirstEnergy Solutions under the terms of the Support Agreement.

C. Deleted

FOR THE NUCLEAR REGULATORY COMMISSION

ORIGINAL SIGNED BY:

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Attachments/Appendices

1. Attachments 1 – 2
2. Appendix A – Technical Specifications
(NUREG-1204)
3. Appendix B – Environmental Protection
Plan
4. Appendix C – Antitrust Conditions

Date of Issuance: November 13, 1986

PERRY NUCLEAR POWER PLANT, UNIT NO. 1

NPF-58

ANTITRUST CONDITIONS

FOR

FIRSTENERGY NUCLEAR GENERATION, LLC

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

Definitions

Applicant shall mean the company 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. 1-24-B.

Licensing Conditions

- (1) Applicant 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.

- (2) Applicant, and each of them, shall offer interconnections upon reasonable terms and conditions at the request of any other electric entity(ies) in the Combined CAPCO Company Territories (CCCT), such interconnection to be available (with due regard for any necessary and applicable safety procedures) for operation in a closed-switch synchronous operating mode if requested by the interconnecting entity(ies). Ownership of transmission lines and switching stations associated with such interconnection shall remain in the hands of the party funding the interconnection subject, however, to any necessary safety procedures relating to disconnection facilities at the point of power delivery. Such limitations on ownership shall be the least necessary to achieve reasonable safety practices and shall not serve to deprive purchasing entities of a means to effect additional power supply options.
- (3) Applicant shall engage in wheeling for and at the request of other entities in the CCCT:
- (a) of electric energy from delivery points of Applicant to the entity(ies); and,
 - (b) of power generated by or available to the other entity, as a result of its ownership or entitlements* in generating facilities, to delivery points of Applicant designated by the other entity.

Such wheeling services shall be available with respect to any unused capacity on the transmission lines of Applicant, the use of which will not jeopardize Applicant's system. In the event Applicant must reduce wheeling services to other entities due to lack of capacity, such reduction shall not be effected until reductions of at least 5 percent have been made in transmission capacity allocations to other Applicants in these proceedings and thereafter shall be made in proportion to reductions** imposed upon other Applicant to this proceeding.

* "Entitlement" includes but is not limited to power made available to an entity pursuant to an exchange agreement.

** The objective of this requirement is to prevent the pre-emption of unused capacity on the lines of one Applicant by other Applicants or by entities the transmitting Applicant deems noncompetitive. Competitive entities are to be allowed the opportunity to develop bulk power services options even if this results in re-allocation of CAPCO (Central Area Power Coordination Group) transmission channels. This relief is required in order to avoid prolongation of the effects of Applicant's illegally sustained dominance.

Applicant shall make reasonable provisions for disclosed transmission requirements of other entities in the CCCT in planning future transmission either individually or within the CAPCO grouping. By "disclosed" is meant the giving of reasonable advance notification of future requirements by entities utilizing wheeling services to be made available by Applicant.

- (4) (a) Applicant shall make available membership in CAPCO to any entity in the CCCT with a system capability of 10 Mw or greater;
- (b) A group of entities with an aggregate system capability of 10 Mw or greater may obtain a single membership in CAPCO on a collective basis;*
- (c) Entities applying for membership in CAPCO pursuant to License Condition 4 shall become members subject to the terms and conditions of the CAPCO Memorandum of Understanding of September 14, 1967, and its implementing agreements; except that new members may elect to participate on an equal percentage of reserve basis rather than a P/N allocation formula for a period of twelve years from date of entrance.** Following the twelfth year of entrance, new members shall be expected to adhere to such allocation methods as are then employed by CAPCO (subject to equal opportunity for waiver or special consideration granted to original CAPCO members which then are in effect).

* E.g., Wholesale Customer of Ohio Edison (WCOE).

** The selection of the 12-year period reflects our determination that an adjustment period is necessary since the P/N formula has a recognized effect of discriminating against small systems and forcing them to forego economies of scale in generation in order to avoid carrying excessive levels of reserves. We also found the P/N is not entirely irrational as a method of reserve allocation. We have observed that Applicants themselves provided adjustment periods and waivers to integrate certain Applicants into the CAPCO reserve requirement program. The 12-year period should permit new entrants to avoid initial discrimination but to accommodate and adjust to the CAPCO system over some reasonable period of time. Presumably new entrants will be acquiring ownership shares and entitlements during the 12-year period so that adverse consequences of applying the P/N formula will be mitigated.

- (d) New members joining CAPCO pursuant to this provision of relief shall not be entitled to exercise voting rights until such time as the system capability of the joining member equals or exceeds the system capability of the smallest member of CAPCO which enjoys voting rights.*
- (5) Applicant shall sell maintenance power to requesting entities in the CCCT upon terms and conditions no less favorable than those Applicants make available: (a) to each other either pursuant to the CAPCO agreements or pursuant to bilateral contract; or (b) to non-Applicant entities outside the CCCT.
- (6) Applicant shall sell emergency power to requesting entities in the CCCT upon terms and conditions no less favorable than those Applicants make available: (a) to each other either pursuant to the CAPCO agreements or pursuant to bilateral contract; or (b) to non-Applicant entities outside the CCCT.
- (7) Applicant shall sell economy energy to requesting entities in the CCCT, when available, on terms and conditions no less favorable than those available: (a) to each other either pursuant to the CAPCO agreements or pursuant to bilateral contract; or (b) to non-Applicant entities outside the CCCT.
- (8) Applicant shall share reserves with any interconnected generation entity in the CCCT upon request. The requesting entity shall have the option of sharing reserves on an equal percentage basis or by use of the CAPCO P/N allocation formula or on any other mutually agreeable basis.
- (9) (a) Applicant shall make available to entities in the CCCT access to the Davis-Besse 1, 2 and 3 and the Perry 1 and 2 nuclear units and any other nuclear units for which Applicant or any of them, shall apply for a construction permit or operating license during the

* Our objective is to prevent impediments to the operation and development of an area-wide power pool through the inability of lesser entities to respond timely or to make necessary planning commitments. While we grant new member entities the opportunity to participate in CAPCO it is not our intent to relieve joining entities of responsibilities and obligations necessary to the successful operation of the pool. For those smaller entities which do not wish to assume the broad range of obligations associated with CAPCO membership we have provided for access to bulk power service options which will further their ability to survive and offer competition in the CCCT.

next 25 years. Such access, at the option of the requesting entity, shall be on an ownership share, or unit participation or contractual pre-purchase of power basis.* Each requesting entity (or collective group of entities) may obtain up to 10% of the capacity of the Davis-Besse and Perry Units and 20% of future units (subject to the 25-year limitation) except that once any entity or entities have contracted for allocations totaling 10% or 20%, respectively, no further participation in any given units need be offered.

- (b) Commitments for the Davis-Besse and Perry Units must be made by requesting entities within two years after this decision becomes final. Commitments for future units must be made within two years after a construction permit application is filed with respect to such a unit (subject to the 25-year limitation) or within two years after the receipt by a requesting entity of detailed written notice of Applicant's plans to construct the unit, whichever is earlier; provided, however, that the time for making the commitment shall not expire until at least three months after the filing of the application for a construction permit. Where an Applicant seeks to operate a nuclear plant with respect to which it did not have an interest at the time of filing the application for the construction permit, the time periods for commitments shall be the same except that reference should be to the operating license, not the construction permit.
- (10) Applicant shall sell wholesale power to any requesting entity in the CCCT, in amounts needed to meet all or part of such entity's requirements. The choice as to whether the agreement should cover all or part of the entity's requirements should be made by the entity, not the Applicant or Applicants.

* Requesting entities' election as to the type of access may be affected by provisions of State law relating to dual ownership of generation facilities by municipalities and investor-owned utilities. Such laws may change during the period of applicability of these conditions. Accordingly, we allow requesting entities to be guided by relevant legal and financial considerations (including Commission regulations on nuclear power plant ownership) in fashioning their requests.

- (11) These conditions are intended as minimum conditions and do not preclude Applicant from offering additional wholesale power or coordination services to entities within or without the CCCT. However, Applicant shall not deny wholesale power or coordination services required by these conditions to non-Applicant entities in the CCCT based upon prior commitments arrived at in the CAPCO Memorandum of Understanding or implementing agreements. Such denial shall be regarded as inconsistent with the purpose and intent of these conditions.

The above conditions are to be implemented in a manner consistent with the provisions of the Federal Power Act and all rates, charges or practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.

EXHIBIT B

NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION

The proposed changes to the license are administrative in nature. The proposed changes delete the references in the license to the Transferor and change them to FirstEnergy Nuclear Generation, LLC (FENGen).

In its regulations, at 10 CFR 2.1315, the Nuclear Regulatory Commission (NRC) has made a generic determination regarding no significant hazards consideration (NSHC) determinations required by 10 CFR 50.92. The determination is applicable to license amendments involving license transfers. In brief, the rule states that the NRC has determined that an amendment to the license of a utilization facility that does no more than conform the license to reflect the transfer action involves NSHC. The proposed changes contained in this license amendment application are intended solely to conform the PNPP Operating License to reflect the change in ownership as a result of the license transfers and thus meet the criteria specified by 10 CFR 2.1315.

EXHIBIT C
SIMPLIFIED CORPORATE LICENSE INTEREST STRUCTURE BEFORE TRANSFER

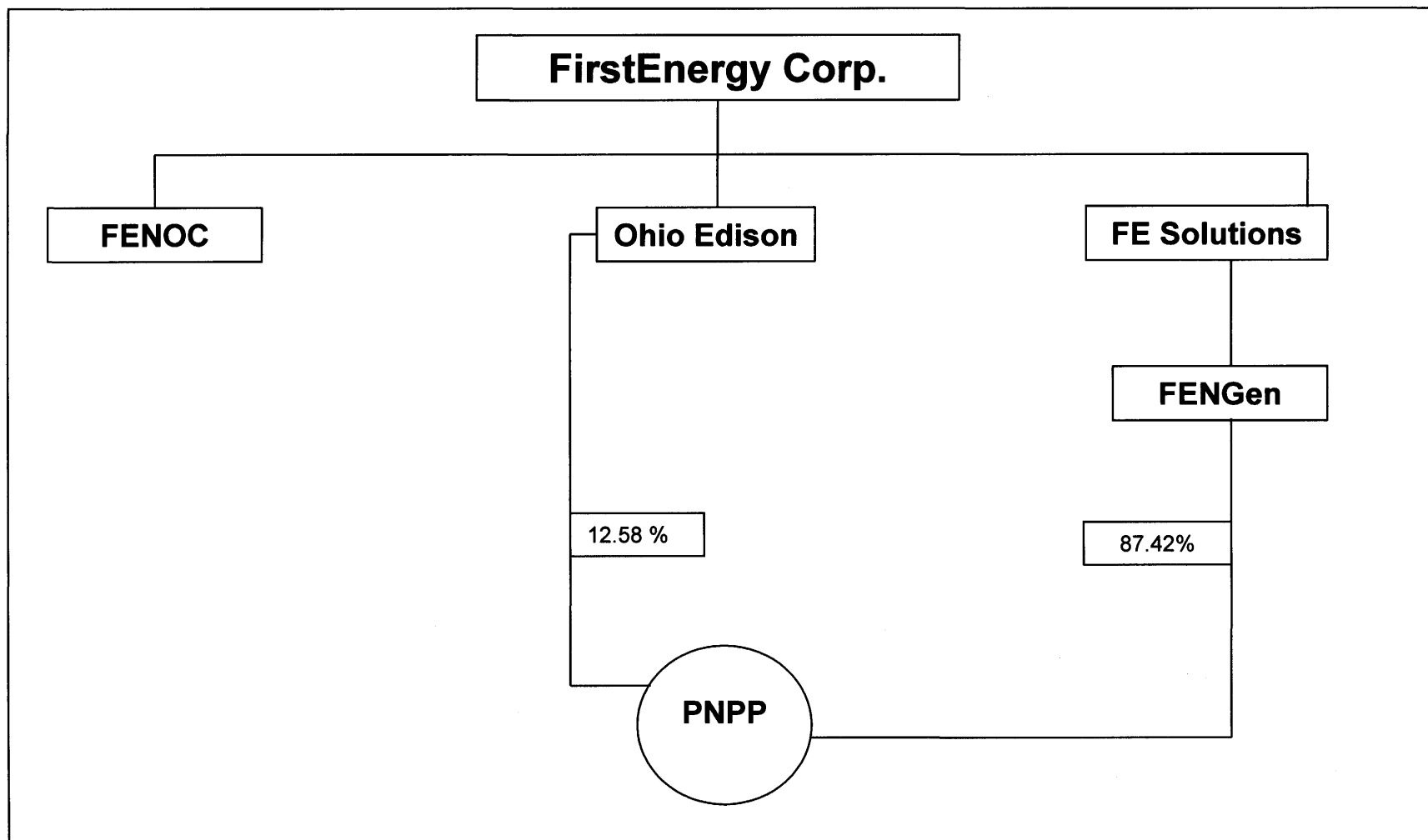


EXHIBIT D
SIMPLIFIED CORPORATE LICENSE INTEREST STRUCTURE AFTER TRANSFER

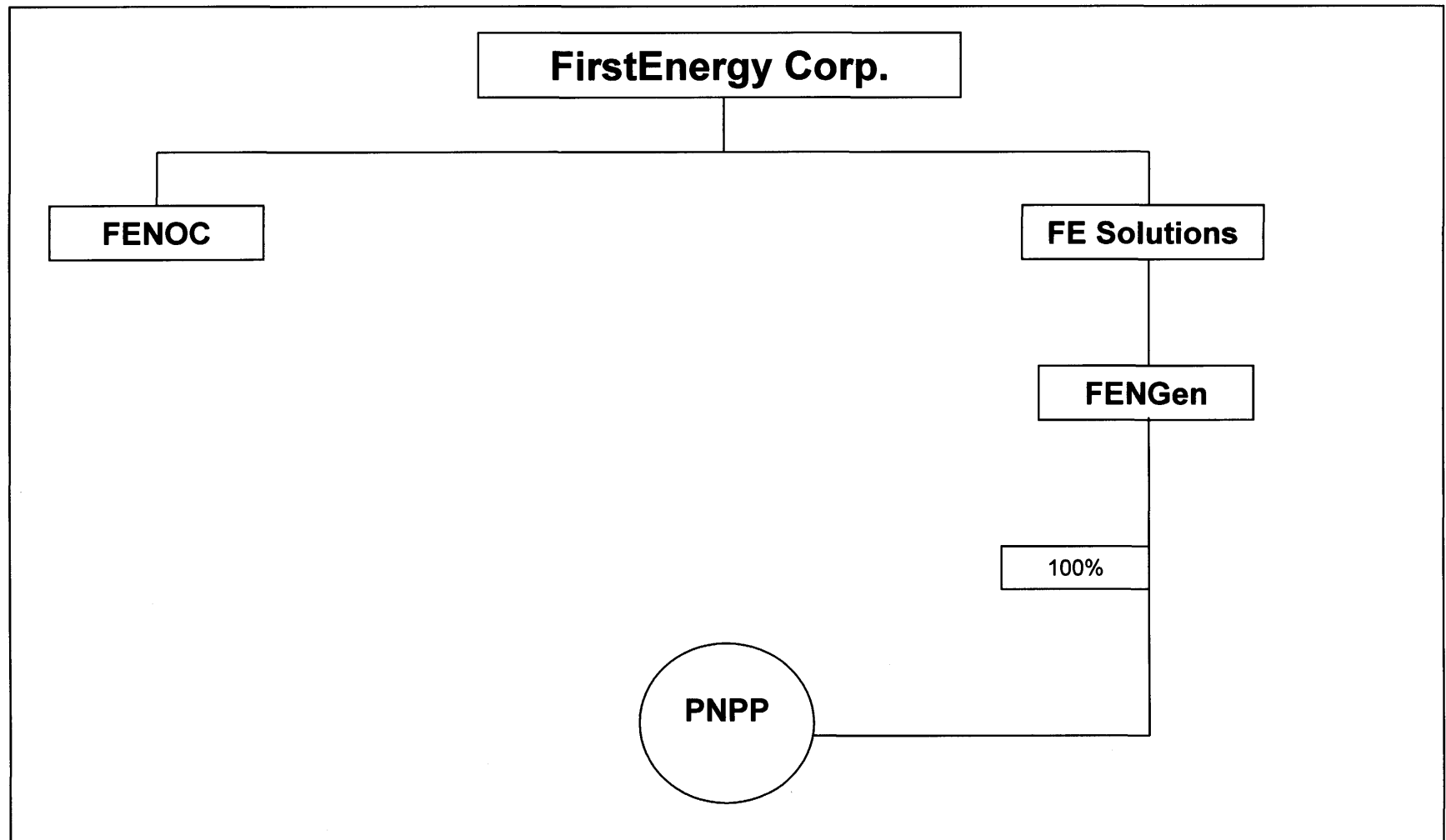


EXHIBIT E

General Corporate Information Regarding FENGen and Its Parent Companies

NAME:	FirstEnergy Corp.
STATE OF INCORPORATION:	Ohio
BUSINESS ADDRESS:	76 South Main Street Akron, OH 44308
DIRECTORS:	Paul T. Addison Michael J. Anderson William T. Cottle Robert B. Heisler, Jr. Julia L. Johnson Charles E. Jones Ted. J. Kleisner Donald T. Misheff Ernest J. Novak, Jr. Christopher D. Pappas Luis A. Reyes George M. Smart Jerry Sue Thornton
EXECUTIVE PERSONNEL	Charles E. Jones, President and Chief Executive Officer (CEO) James F. Pearson, Senior Vice President and Chief Financial Officer (CFO) Leila L. Vespoli, Executive Vice President, Markets and Chief Legal Officer Rhonda S. Ferguson, Vice President and Corporate Secretary Steven R. Staub, Vice President and Treasurer K. Jon Taylor, Vice President, Controller and Chief Accounting Officer

NAME:	FirstEnergy Solutions Corp.
STATE OF INCORPORATION:	Ohio
BUSINESS ADDRESS:	341 White Pond Drive Akron, OH 44320
DIRECTORS:	Charles E. Jones James H. Lash James F. Pearson
EXECUTIVE PERSONNEL:	Donald R. Schneider, President Leila L. Vespoli, Executive Vice President, Markets and Chief Legal Officer James F. Pearson, Senior Vice President and CFO Rhonda S. Ferguson, Vice President and Corporate Secretary James G. Garanich, Vice President, Tax James G. Mellody, Vice President, Fuel and Unit Dispatch Donald A. Moul, Vice President, Commodity Operations Trent A. Smith, Vice President, Sales and Marketing Robert P. Reffner, Vice President and General Counsel Steven R. Staub, Vice President and Treasurer K. Jon Taylor, Vice President and Controller Kevin T. Warvell, Vice President, Commercial Operations, Structuring and Pricing

NAME:	FirstEnergy Nuclear Generation, LLC
STATE OF INCORPORATION:	Ohio
BUSINESS ADDRESS:	76 South Main Street Akron, OH 44308
DIRECTORS:	Samuel L. Belcher Charles E. Jones James H. Lash
EXECUTIVE PERSONNEL	Samuel L. Belcher, President and Chief Nuclear Officer Leila L. Vespoli, Executive Vice President, Markets and Chief Legal Officer Paul A. Harden, Senior Vice President and Chief Operating Officer Raymond A. Lieb, Senior Vice President, Fleet Engineering James F. Pearson, Senior Vice President and CFO Mark B. Bezilla, Vice President, Fleet Oversight George J. Farah, Vice President, Generation Projects Rhonda S. Ferguson, Vice President and Corporate Secretary James G. Garanich, Vice President, Tax Robert P. Reffner, Vice President and General Counsel Steven R. Staub, Vice President and Treasurer K. Jon Taylor, Vice President and Controller

**FORM OF SUPPORT AGREEMENT BETWEEN
FIRSTENERGY SOLUTIONS CORP. AND
FIRSTENERGY NUCLEAR GENERATION, LLC**

THIS SUPPORT AGREEMENT, dated as of _____, 2015 between FirstEnergy Solutions Corp., an Ohio corporation ("Parent"), and FirstEnergy Nuclear Generation LLC an Ohio limited liability company ("Subsidiary"),

WITNESSETH:

WHEREAS, Parent is the direct owner of 100% of the outstanding interests in the Subsidiary;

WHEREAS, the Subsidiary owns certain assets located at the Beaver Valley Nuclear Power Station, Units Nos. 1 & 2, Perry Nuclear Power Plant, Unit No. 1, and Davis-Besse Nuclear Power Station, Unit No. 1 ("BVPS," "Perry" and Davis-Besse"); and

WHEREAS, Parent and the Subsidiary desire to take certain actions to assure the Subsidiary's ability to pay the *pro rata* expenses of operating BVPS, Perry and Davis-Besse safely and protecting the public health and safety (the "Operating Expenses") and to meet Nuclear Regulatory Commission ("NRC") requirements during the operating life of the BVPS, Perry and Davis-Besse units (the "NRC Requirements").

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree as follows:

1. *Availability of Funding.* From time to time, upon request of Subsidiary, Parent shall provide or cause to be provided to Subsidiary such funds as the Subsidiary determines to be necessary to pay Operating Expenses and meet NRC Requirements; provided, however, in any event the aggregate amount which Parent is obligated to provide under this Agreement shall not exceed \$400 million.
2. *No Guarantee.* This Support Agreement is not, and nothing herein contained, and no action taken pursuant hereto by Parent shall be construed as, or deemed to constitute, a direct or indirect guarantee by Parent to any person of the payment of the Operating Expenses or of any liability or obligation of any kind or character whatsoever of the

Subsidiary. This Agreement may, however, be relied upon by the NRC in determining the financial qualifications of the Subsidiary to hold the operating licenses for BVPS, Perry, and Davis-Besse.

3. *Waivers.* Parent hereby waives any failure or delay on the part of the Subsidiary in asserting or enforcing any of its rights or in making any claims or demands hereunder.
4. *Amendments and Termination.* This Agreement may not be amended or modified at any time without 30 days prior written notice to the NRC. This Agreement shall terminate at such time as Parent is no longer the direct or indirect owner of any of the shares or other ownership interests in Subsidiary. This Agreement shall also terminate with respect to the Operating Expenses and NRC Requirements applicable to BVPS, Perry, and Davis-Besse at such time as BVPS, Perry, and Davis-Besse permanently cease commercial operations.
5. *Successors.* This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
6. *Third Parties.* Except as expressly provided in Sections 2 and 4 with respect to the NRC, this Agreement is not intended for the benefit of any person other than the parties hereto, and shall not confer or be deemed to confer upon any other such person any benefits, rights, or remedies hereunder.
7. *Other Support Agreement.* This Agreement supercedes any other Support Agreement, if any exists prior to the date hereof, between Parent and Subsidiary to provide funding when necessary to pay Operating Expenses and meet NRC Requirements for BVPS, Perry or Davis-Besse, and any such other Support Agreement is hereby voided, revoked and rescinded. As such, the total available funding provided for in this Agreement shall be limited as set forth in Section 1 herein and shall not be cumulative with any other Support Agreement.
8. *Governing Law.* This Agreement shall be governed by the laws of the State of Ohio.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

FirstEnergy Solutions Corp.

By:

Name: _____

Title: _____

EXHIBIT G (Non-Proprietary Version) ⁽¹⁾
FirstEnergy Nuclear Generation, LLC
Pro Forma Income Statements
(\$ in millions)

	2016	2017	2018	2019	2020
Operating Revenues	[]	[]	[]	[]	[]
Operating Expenses:					
Fuel	[]	[]	[]	[]	[]
Purchased Power	[]	[]	[]	[]	[]
O&M Expenses	[]	[]	[]	[]	[]
General Taxes	[]	[]	[]	[]	[]
Depreciation	[]	[]	[]	[]	[]
Total Operating Expenses	[]	[]	[]	[]	[]
Operating Income	[]	[]	[]	[]	[]
Other Income/(Expenses):					
Investment Income	[]	[]	[]	[]	[]
Interest Expense	[]	[]	[]	[]	[]
AFUDC ²	[]	[]	[]	[]	[]
Total Other Expense, net	[]	[]	[]	[]	[]
Income Before Income Taxes	[]	[]	[]	[]	[]
Income Taxes	[]	[]	[]	[]	[]
Net Income	[]	[]	[]	[]	[]

Note:

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

(2) AFUDC = Allowance for Funds Used During Construction

Enclosure B

L-15-195

Affidavit

(2 pages follow)

10 CFR 2.390

AFFIDAVIT OF PAUL A. HARDEN

I, Paul A. Harden, Senior Vice President and Chief Operating Officer 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 "Application for Order Consenting to Transfer of License and Approving Conforming License Amendments." The Proprietary Version of Exhibit G being provided in the enclosure to this submittal contains financial *pro forma* statements related to anticipated revenues from sales of energy and capacity from Perry Nuclear Power Plant (PNPP) and confidential information regarding anticipated assets, liabilities and capital structure at the time of transfer. These documents constitute proprietary commercial and 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 competitive information concerning FENOC's affiliates' anticipated revenues and operating expenses.
 - 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 information would create substantial harm to the competitive position of FENOC by disclosing its internal financial *pro forma* statements and the commercial terms of a unique transaction to other parties whose commercial interests may be adverse to those of FENOC.

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

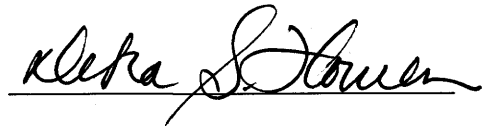


Paul A. Harden
Senior Vice President and Chief
Operating Officer

STATE OF Ohio

CITY OF Akron

Subscribed and sworn to me, a Notary Public, in and for the County and State
above named, this 30 day of June 2015.



My Commission Expires: 12-3-19



Debra S. Flowers
Notary Public, State of Ohio
My Commission Expires 12-03-2019