

# SHAW, PITTMAN, POTTS & TROWBRIDGE

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

2300 N STREET, N. W.  
WASHINGTON, D. C. 20037

(202) 663-8000

FACSIMILE  
(202) 663-8007

1501 FARM CREDIT DRIVE  
MCLEAN, VIRGINIA 22102  
(703) 790-7900

FACSIMILE  
(703) 821-2397

201 LIBERTY STREET, S.W.  
LEESBURG, VIRGINIA 22075  
(703) 777-0004  
METRO 478-8989

FACSIMILE  
(703) 777-9320

GERALD CHARNOFF, P.C.  
(202) 663-8032

November 17, 1995

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

Re: Facility Operating License No: NPF-58  
Perry Nuclear Power Plant, Unit No. 1  
Docket No. 50-440  
Ohio Edison's Application For License Transfer  
In Connection With Sale And Related Transactions

Gentlemen:

I am enclosing "Ohio Edison's Application For License Transfer In Connection With Sale And Related Transactions" concerning the Perry Nuclear Power Plant Unit No. 1. The Application requests the Nuclear Regulatory Commission ("NRC") to approve a license transfer for part of Ohio Edison's ownership interest in Perry Unit 1 to a wholly owned subsidiary, OES Nuclear Inc. ("OES"). Ohio Edison holds title to 17.42% of Perry Unit 1 and leases another 12.58% of Perry Unit 1 pursuant to the sale and leaseback transactions previously authorized by amendment 2 to the Perry license. The requested transfer concerns Ohio Edison's 17.42% ownership interest in Perry Unit 1.

The proposed transactions underlying the license transfer request are as follows. By December 31, 1995, Ohio Edison will sell to OES its 17.42% ownership interest in Perry Unit 1 except for the transmission facilities that are a part of Unit 1. On January 1, 1996, or immediately thereafter, OES will enter into a take or pay steam sale agreement with Ohio Edison pursuant to which Ohio Edison will purchase from OES the steam generated by the interest in Perry Unit 1 transferred under the bill of sale.

9511270404 951117  
PDR ADDCK 05000440  
P PDR

*A001*  
*1/1*  
*Linkette*  
*To: File Center*

U.S. Nuclear Regulatory Commission

November 17, 1995

Page 2

OES will also grant Ohio Edison the right to utilize the turbine generator portion of Perry Unit 1 transferred to OES by the bill of sale. Both the agreement for the sale of steam and the grant of the right to use the turbine generator will run for the term of the Perry Unit 1 license through completion of plant decommissioning. Pursuant to the terms of the arrangements, Ohio Edison will have the option to convert the steam purchase agreement and its right to utilize the Unit 1 turbine generator to a lease to itself of the interest in Perry Unit 1 conveyed to OES by the bill of sale.

Ohio Edison is undertaking the above transactions in order to reduce costs in anticipation of a more competitive marketplace for electricity. The arrangements will not affect Ohio Edison's license or financial responsibilities for Perry. Ohio Edison will remain a named licensee on the Perry license, as well as OES, with the antitrust conditions and other conditions remaining fully applicable to it. Further, under the proposed arrangements, Ohio Edison will make payments to OES in an amount sufficient for OES to pay all of its expenses and will retain full responsibility for the costs of operating, maintaining and decommissioning the interest in Perry Unit 1 transferred to OES, including without limitation any costs associated with meeting NRC safety and other requirements.

Cleveland Electric Illuminating Company will be filing shortly a proposed license amendment to amend the Perry operating license to reflect the above license transfer. The proposed amendment would revise the license to include OES as a licensee.

In addition to the Application for License Transfer, I am enclosing a computer disk which has on it in Word Perfect 5.1 Attachment B (draft Federal Register Notice) and Attachment C (draft proposed order) to the Application. If you have questions or require additional information, please contact me at the telephone number above or Paul Gaukler at 663-8304.

Sincerely,

  
Gerald Charnoff

Enclosures

U.S. Nuclear Regulatory Commission

November 17, 1995

Page 3

cc: NRC Office of General Counsel  
Perry NRC Project Manager  
Regional Administrator, NRC Region III (without computer disk)  
Perry NRC Senior Resident Inspector (without computer disk)