

November 9, 2010  
L-10-313

10 CFR 2.206

Mr. John T. Buckley, Jr.  
Petition Manager  
Office of Federal and State Materials and Environmental Management Programs  
Division of Waste Management and Environmental Protection  
Decommissioning and Uranium Recovery Licensing Directorate  
U.S. Nuclear Regulatory Commission  
Washington DC 20555-0001

**SUBJECT:**  
Information Regarding the Mr. Eric Epstein Petition on Three Mile Island Nuclear Station, Unit No. 2 Decommissioning Funding

Dear Mr. Buckley,

This letter provides information to the Nuclear Regulatory Commission (NRC) regarding a 10 CFR 2.206 petition of Mr. Eric Epstein, dated September 30, 2010, on Three Mile Island Nuclear Station, Unit No. 2 (TMI-2) decommissioning funding. The petition requests the proposed merger between FirstEnergy Corp. and Allegheny Energy, Inc. be delayed until there is adequate assurance of decommissioning funding for TMI-2. On October 19, 2010, during a teleconference to discuss the petition, the NRC staff indicated that they did not plan to grant Mr. Epstein's request to delay the consummation of the merger. FirstEnergy Nuclear Operating Company (FENOC) agrees with the NRC staff position, and provides the following support for this position.

Under 10 CFR 50.80, consent from the NRC is only required when a license for a production or utilization facility is transferred, directly or indirectly, through the transfer of control of the license to any person. The planned merger does not involve a direct or indirect transfer of holders of control of the licenses of the TMI-2 plant or any other nuclear plants operated by affiliates of FirstEnergy Corp. Therefore, NRC consent is not required for this merger.

As described in FirstEnergy Corp.'s February 11, 2010, Form 8-K, Allegheny Energy, Inc. would become a wholly-owned subsidiary of FirstEnergy Corp., the parent holding company for the above-mentioned licensees. The Form 8-K is available for review at FirstEnergy Corp.'s corporate website (<http://investors.firstenergycorp.com/>). As part of

the merger process, FirstEnergy Corp.'s direct, wholly-owned subsidiary, Element Merger Sub, Inc. (Merger Sub) will be merged with and into Allegheny Energy, Inc., with Allegheny Energy, Inc. becoming the surviving entity. Merger Sub does not have any interest in any of FirstEnergy Corp.'s other subsidiaries that either hold NRC licenses, or directly or indirectly have interests in any subsidiary that holds an NRC license.

Immediately following the merger, the current shareholders of Allegheny Energy, Inc. will obtain shares representing approximately 27 percent ownership of FirstEnergy Corp. The existing shareholders of FirstEnergy Corp. will hold the remaining shares, representing approximately 73 percent of ownership, retaining control of FirstEnergy Corp. As part of the merger, the Board of Directors of FirstEnergy Corp. will increase from 11 directors to 13 directors, with 2 Allegheny Energy, Inc. Directors being appointed to the FirstEnergy Corp. Board. Therefore, control of the parent company is not transferred from FirstEnergy Corp. and the reporting chain from the Board of Directors through each company that holds an NRC license is not altered by the proposed merger.

Simplified pre-merger and post-merger organization charts are attached. As the charts depict, there is no impact upon any of the FirstEnergy Corp. affiliates that are holders of NRC licenses.

There are no regulatory commitments contained in this submittal. If there are any questions, or if additional information is required, please contact Mr. Gregory H. Halnon, Director - FENOC Fleet Regulatory Affairs, at (330) 384-5638.

Sincerely,



Gregory H. Halnon  
Director, FENOC Fleet Regulatory Affairs

Attachments:

1. Organization Chart – Pre-Merger
2. Organization Chart – Post-Merger

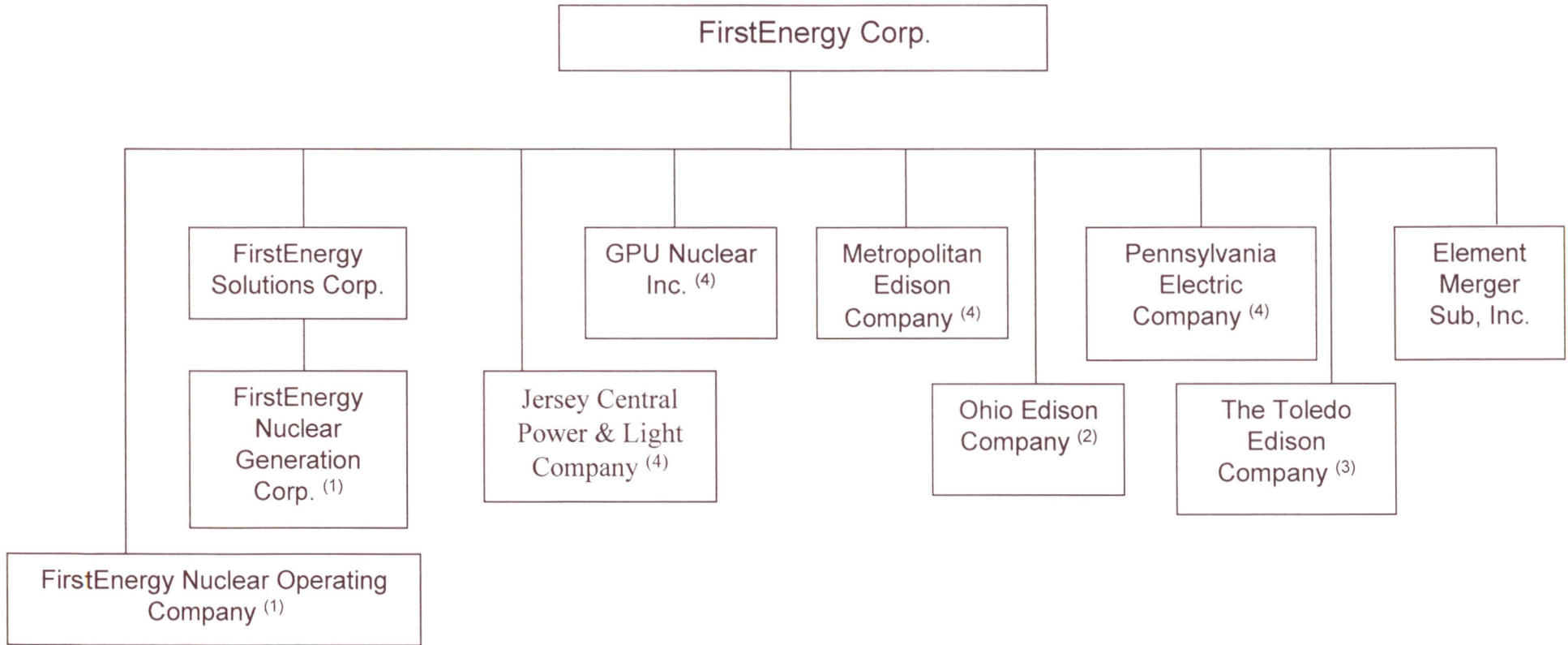
FirstEnergy Nuclear Operating Company

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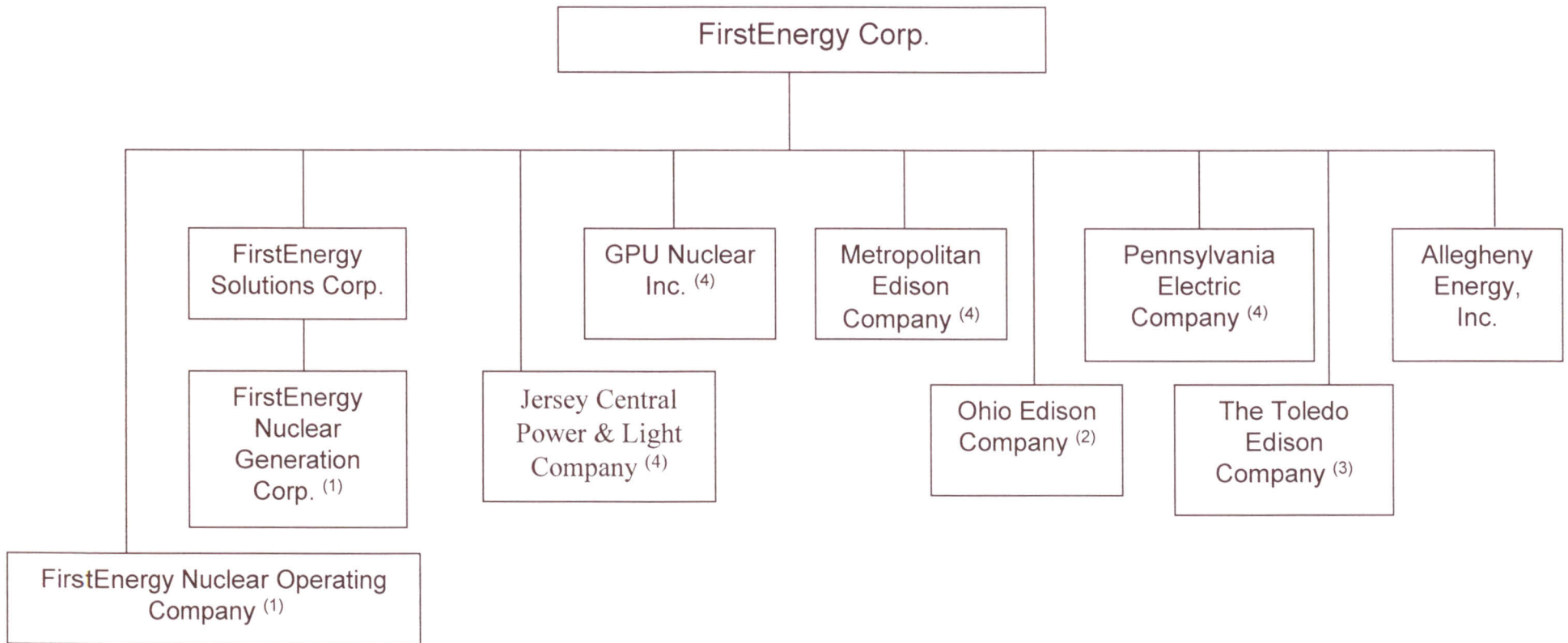
cc: NRC Region I Administrator  
NRC Region III Administrator  
NRC Project Manager - Beaver Valley Power Station  
NRC Project Manager - Davis-Besse Nuclear Power Station  
NRC Project Manager - Perry Nuclear Power Plant  
NRC Project Manager - Three Mile Island Nuclear Station  
NRC Project Manager - FirstEnergy Nuclear Operating Company  
NRC Resident Inspector - Beaver Valley Power Station  
NRC Resident Inspector - Davis-Besse Nuclear Power Station  
NRC Resident Inspector - Perry Nuclear Power Plant  
NRC Resident Inspector - Three Mile Island Nuclear Station

Organization Chart – Pre-Merger  
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1. License holder of Beaver Valley Power Station, Units No. 1 and 2, Davis-Besse Nuclear Power Station, Unit No. 1, and Perry Nuclear Power Plant, Unit No. 1.
2. License holder of Beaver Valley Power Station, Unit No. 2, and Perry Nuclear Power Plant, Unit No. 1.
3. License holder of Beaver Valley Power Station, Unit No. 2.
4. License holder of Three Mile Island Station, Unit No. 2.

Organization Chart – Post-Merger  
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1. License holder of Beaver Valley Power Station, Units No. 1 and 2, Davis-Besse Nuclear Power Station, Unit No. 1, and Perry Nuclear Power Plant, Unit No. 1.
2. License holder of Beaver Valley Power Station, Unit No. 2, and Perry Nuclear Power Plant, Unit No. 1.
3. License holder of Beaver Valley Power Station, Unit No. 2.
4. License holder of Three Mile Island Station, Unit No. 2.