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

November 21, 2019

OFFICE OF NUCLEAR REACTOR REGULATION

NOTIFICATION OF SIGNIFICANT LICENSING ACTION

LICENSEE: FirstEnergy Nuclear Operating Company
FirstEnergy Nuclear Generation, LLC

Beaver Valley Power Station, Unit Nos. 1 and 2
License Nos. DPR-66 and NPF-73
and its generally licensed ISFSI
Docket Nos. 50-334, 50-412, and 72-1043

Davis-Besse Nuclear Power Station, Unit No. 1
License No. NPF-3
and its generally licensed ISFSI
Docket Nos. 50-346 and 72-14

Perry Nuclear Power Plant, Unit No. 1
License No. NPF-58
and its generally licensed ISFSI
Docket Nos. 50-440 and 72-69

SUBJECT: PROPOSED ISSUANCE OF AN ORDER APPROVING A LICENSE TRANSFER APPLICATION FOR WHICH A HEARING HAS BEEN REQUESTED (EPID L-2019-LLM-0000)

This is to inform the Commission that an order will be issued on or about December 2, 2019, to FirstEnergy Nuclear Operating Company (FENOC) and FirstEnergy Nuclear Generation, LLC (FENGen) (together, the Applicants) approving the transfer of Renewed Facility Operating License Nos. DPR-66 and NPF-73 for Beaver Valley Power Station, Unit Nos. 1 and 2; Renewed Facility Operating License No. NPF-3 for Davis-Besse Nuclear Power Station, Unit No. 1; and Facility Operating License No. NPF-58 for Perry Nuclear Power Plant, Unit No. 1, and their respective generally licensed independent spent fuel storage installations (ISFSIs) (together, the Facilities). This action is being taken in response to an application dated April 26, 2019 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML19116A087), as supplemented by letters dated May 31, 2019; August 2, 2019; August 29, 2019; September 25, 2019 (two submissions); and October 17, 2019 (ADAMS Accession Nos. ML19151A531, ML19214A100, ML19241A462, ML19268A053,

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ML19268B133, and ML19290D432, respectively). Specifically, the Applicants requested a direct transfer of operating authority for the Facilities from FENOC to an as-yet unnamed company, herein identified as OpCo; a direct transfer of ownership of the Facilities from FENGen to an as-yet unnamed company, herein identified as OwnerCo; and an indirect transfer of ownership of the Facilities to an as-yet unnamed parent company, herein identified as New HoldCo (FirstEnergy Corp. is currently the ultimate parent company). The Applicants also requested, and the U.S. Nuclear Regulatory Commission (NRC) plans to issue, conforming amendments to the licenses for administrative purposes to reflect the approved license transfers after consummation of the license transfer transaction.

On March 31, 2018, FirstEnergy Solutions Corp. (FES), together with FENOC, FENGen, and FES's other subsidiaries, filed voluntary petitions for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Ohio, Eastern Division (Bankruptcy Court). By letter dated April 2, 2018 (ADAMS Accession No. ML18094A661), in accordance with Title 10, Code of Federal Regulations 50.54(cc)(1), FENOC notified the NRC of the bankruptcy filing. The proposed license transfers would support the emergence from bankruptcy of the Applicants, along with FES and other affiliated companies that are currently debtors in the bankruptcy process, pursuant to the Eighth Amended Joint Plan of Reorganization (the Bankruptcy Reorganization Plan) filed with the Bankruptcy Court on October 11, 2019, and the Revised Eighth Amended Plan filed with the Bankruptcy Court on October 14, 2019, and confirmed by the Bankruptcy Court on October 16, 2019, as noted in the Applicants' supplemental letter dated October 17, 2019. Under the Bankruptcy Reorganization Plan, at emergence from bankruptcy, a new privately-held holding company, New HoldCo, will be formed with shares initially held by certain current creditors of one or more of FES, FENOC, FENGen, or FirstEnergy Generation, LLC (a sister company of FENGen holding fossil fuel generation assets) and management of the new holding company. Both OpCo and OwnerCo will become wholly-owned subsidiaries of New HoldCo.

On June 27, 2019, the NRC published in the *Federal Register* (FR) an opportunity to request a hearing and to comment on the license transfer application (84 FR 30775). In response, on July 17, 2019, the Environmental Law & Policy Center filed a hearing request. The hearing request is currently pending before the Commission. The hearing, if granted, will not be completed prior to the approval of the license transfer application. The order approving the application will include a condition that the approval of the license transfers is subject to the Commission's authority to rescind, modify, or condition the approved transfers based on the outcome of any post-effectiveness hearing on the license transfer application. *See Susquehanna Nuclear, LLC* (Susquehanna Steam Electric Station, Units 1 and 2), CLI-17-4, 85 NRC 59, 61 n.5 (2017); *Power Auth. of the State of N.Y.* (James A. FitzPatrick Nuclear Power Plant), CLI-01-14, 53 NRC 488, 502, 554–55 (2001) (citing *Long Island Lighting Co.* (Shoreham Nuclear Power Station, Unit 1), CLI-92-4, 35 NRC 69, 80 n.7 (1992)). The Bankruptcy Court is aware of this condition. The NRC did not receive any comments on the application.

In accordance with the Commission's regulations, the NRC staff notified the Commonwealth of Pennsylvania and the Ohio State officials of the proposed license transfers and issuance of the conforming amendments on October 31, 2019. The officials had no comments.

NOTE: Information to be added after the order is issued.
Date issuance of Order: December 2, 2019
Date of receipt of Order by licensee: December 2, 2019
Date Environmental Law and Policy Center was notified: December 2, 2019

SUBJECT: PROPOSED ISSUANCE OF AN ORDER APPROVING A LICENSE TRANSFER APPLICATION FOR WHICH A HEARING HAS BEEN REQUESTED (EPID L-2019-LLM-0000) DATED NOVEMBER 21, 2019

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ADAMS Accession No. ML19303A009 *via email

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