

March 27, 2009
L-09-064

10 CFR 50.75

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

SUBJECT:
Beaver Valley Power Station Units 1 and 2
Docket No. 50-334, License No. DPR-66
Docket No. 50-412, License No. NPF-73

Davis-Besse Nuclear Power Station
Docket No. 50-346, License No. NPF-3

Perry Nuclear Power Plant
Docket No. 50-440, License No. NPF-58
Submittal of the Decommissioning Reports for Beaver Valley Power Station Units 1 and 2, Davis-Besse Nuclear Power Station, and Perry Nuclear Power Plant

Pursuant to 10 CFR 50.75(f)(1), the FirstEnergy Nuclear Operating Company (FENOC), on behalf of the FirstEnergy Corp., is submitting the Decommissioning Reports for the Beaver Valley Power Station Units 1 and 2, the Davis-Besse Nuclear Power Station, and the Perry Nuclear Power Plant for the year ending December 31, 2008.

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) 761-6071.

Sincerely,



Gregory H. Halnon
Director, Fleet Regulatory Affairs

A001
LRR

Beaver Valley Power Station Units 1 and 2
Davis-Besse Nuclear Power Station
Perry Nuclear Power Plant
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Enclosures:

- A. Decommissioning Funding Status Report – Beaver Valley Power Station, Unit 1
- B. Decommissioning Funding Status Report – Beaver Valley Power Station, Unit 2
- C. Decommissioning Funding Status Report – Davis-Besse Nuclear Power Station
- D. Decommissioning Funding Status Report – Perry Nuclear Power Plant

cc: NRC Region I Administrator
NRC Region III Administrator
NRC Resident Inspector (Beaver Valley)
NRC Resident Inspector (Davis-Besse)
NRC Resident Inspector (Perry)
NRR Project Manager (Beaver Valley)
NRR Project Manager (Davis-Besse)
NRR Project Manager (Perry)
Director BRP/DEP
Site BRP/DEP Representative
Utility Radiological Safety Board

Enclosure A

Decommissioning Funding Status Report – Beaver Valley Power Station, Unit 1
Page 1 of 2

This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in Beaver Valley Power Station, Unit 1, as of December 31, 2008.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c) (see Schedule 1):

FirstEnergy Nuclear Generation Corp. (FENGenCo)	\$396,953,480
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2. The amount accumulated in external trust funds at December 31, 2008:

FENGenCo	\$201,268,744
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3. A schedule of the annual amounts over the number of years remaining to be collected from ratepayers:

Amount Remaining	\$0
Number of years to Collect	0

4. The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership Interest in Unit	100%
"Real" Rate of Return through Dismantlement	2.00%
Year of Final Dismantlement	2035
Year of License Termination	2016

5. There are no contracts upon which the owners/licensees are relying pursuant to 10 CFR 50.75(e)(1)(v).
6. There has been no modification to the current method of providing decommissioning funding assurance since the last submitted report.
7. There have been no material changes to the applicable trust agreement(s) since the last submitted report.
8. FENOC recognizes that a shortfall exists when the existing trust balances and assumed earnings are compared with the NRC formula amount calculated in Item 1, above. FENOC developed a site specific analysis using a SAFSTOR approach which establishes a minimum decommissioning fund estimate of \$279,856,000. This analysis utilized an escalation rate of 3.4880%, a 2% real rate of return, and an estimated final year of dismantlement of 2078. This analysis indicates that there will be a shortfall; however, this shortfall is within the existing parental guarantee of \$80,000,000. This analysis can be made available for inspection upon request.

Enclosure A

Decommissioning Funding Status Report – Beaver Valley Power Station, Unit 1
Page 2 of 2

Schedule 1
FIRSTENERGY CORP.
Calculation of Minimum Financial Assurance Amount
December 31, 2008
BEAVER VALLEY POWER STATION, UNIT 1

Pennsylvania Regions

Labor (L) = Northeast
Energy (E) = National
Waste Burial (B) = South Carolina

For PWR Unit

	Adjustment Factor	Ratio	Escalation Factor
L =	2.370	0.65	1.541
E =	1.816	0.13	0.236
B =	9.872	0.22	<u>2.172</u>

PWR Escalation Factor = 3.949

Base Amount for PWR between 1200 MWt and 3400 MWt = (\$75m + 0.0088P)
(P = power level in megawatts thermal = 2,900)

(\$75 + 0.0088(2,900)) million = \$100,520,000

Escalated Amount for unit =
100,520,000 x 3.949 = \$396,953,480

<u>Owner/Licensee</u>	<u>Ownership</u>	
FirstEnergy Nuclear Generation Corp.	100.00%	<u><u>\$396,953,480</u></u>

Enclosure B

Decommissioning Funding Status Report – Beaver Valley Power Station, Unit 2
Page 1 of 3

This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in Beaver Valley Power Station, Unit 2, as of December 31, 2008.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c) (see Schedule 1):

Ohio Edison Company	\$ 85,980,124
The Toledo Edison Company	72,483,705
FirstEnergy Nuclear Generation Corp. (FENGenCo)	<u>238,489,651</u>
FirstEnergy Consolidated	<u>\$396,953,480</u>

2. The amount accumulated in external trust funds at December 31, 2008:

Ohio Edison Company	\$ 63,725,200
The Toledo Edison Company	73,500,337
FENGenCo	<u>130,571,665</u>
FirstEnergy Consolidated	<u>\$267,797,202</u>

3. A schedule of the annual amounts over the number of years remaining to be collected from ratepayers:

Amount Remaining	\$0
Number of years to Collect	0

4. The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership Interest in Unit	100%
"Real" Rate of Return through Dismantlement	2.00%
Year of Final Dismantlement	2035
Year of License Termination	2027

5. There are no contracts upon which the owners/licensees are relying pursuant to 10 CFR 50.75(e)(1)(v).
6. There has been no modification to the current method of providing decommissioning funding assurance since the last submitted report.
7. There have been no material changes to the applicable trust agreement(s) since the last submitted report.

Enclosure B

Decommissioning Funding Status Report – Beaver Valley Power Station, Unit 2
Page 2 of 3

8. FENOC recognizes that a shortfall exists for FENGenCo when the existing trust balances and assumed earnings are compared with the NRC formula amount calculated in Item 1, above. However, when combined in aggregate with The Toledo Edison Company and Ohio Edison Company funds (also FirstEnergy Corp. subsidiaries), no shortfall exists. FENOC developed a site specific analysis using a SAFSTOR approach. This analysis utilized an escalation rate of 3.4710%, a 2% real rate of return, and an estimated final year of dismantlement of 2078. This analysis indicates that only a de minimis shortfall exists for FENGenCo. When combined with The Toledo Edison Company and Ohio Edison Company funds, no shortfall exists. This analysis can be made available for inspection upon request.

Enclosure B

Decommissioning Funding Status Report – Beaver Valley Power Station, Unit 2
Page 3 of 3

Schedule 1
FIRSTENERGY CORP.
Calculation of Minimum Financial Assurance Amount
December 31, 2008
BEAVER VALLEY POWER STATION, UNIT 2

Pennsylvania Regions

Labor (L) = Northeast
Energy (E) = National
Waste Burial (B) = South Carolina

For PWR Unit

	Adjustment Factor	Ratio	Escalation Factor
L =	2.370	0.65	1.541
E =	1.816	0.13	0.236
B =	9.872	0.22	<u>2.172</u>
PWR Escalation Factor =			3.949
Base Amount for PWR between 1200 MWt and 3400 MWt = (\$75m + 0.0088P) (P = power level in megawatts thermal = 2,900)			
(\$75 + 0.0088(2,900)) million =			\$100,520,000
Escalated Amount for unit = 100,520,000 x	3.949	=	<u><u>\$396,953,480</u></u>

<u>Owner/Licensee</u>	<u>Ownership</u>	
Ohio Edison Company	21.66%	\$ 85,980,124
The Toledo Edison Company	18.26%	\$ 72,483,705
FirstEnergy Nuclear Generation Corp.	60.08%	<u>\$238,489,651</u>
Total FENGenCo		<u><u>\$396,953,480</u></u>

Enclosure C

Decommissioning Funding Status Report – Davis-Besse Nuclear Power Station
Page 1 of 2

This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in Davis-Besse Nuclear Power Station as of December 31, 2008.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c) (see Schedule 1):

FirstEnergy Nuclear Generation Corp. (FENGenCo)	\$385,587,014
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2. The amount accumulated in external trust funds at December 31, 2008:

FENGenCo	\$379,312,479
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3. A schedule of the annual amounts over the number of years remaining to be collected from ratepayers:

Amount Remaining	\$0
Number of years to Collect	0

4. The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership Interest in Unit	100%
"Real" Rate of Return through Dismantlement	2.00%
Year of Final Dismantlement	2024
Year of License Termination	2017

5. There are no contracts upon which the owners/licensees are relying pursuant to 10 CFR 50.75(e)(1)(v).
6. There has been no modification to the current method of providing decommissioning funding assurance since the last submitted report.
7. There have been no material changes to the applicable trust agreement(s) since the last submitted report.

Enclosure C

Decommissioning Funding Status Report – Davis-Besse Nuclear Power Station
Page 2 of 2

Schedule 1
FIRSTENERGY CORP.
Calculation of Minimum Financial Assurance Amount
December 31, 2008
DAVIS-BESSE NUCLEAR POWER STATION

Ohio Regions

Labor (L) = Midwest
Energy (E) = National
Waste Burial (B) = South Carolina

For PWR Unit

	Adjustment Factor	Ratio	Escalation Factor
L =	2.240	0.65	1.456
E =	1.816	0.13	0.236
B =	9.872	0.22	<u>2.172</u>

PWR Escalation Factor = 3.864

Base Amount for PWR between 1200 MWt and 3400 MWt = (\$75m + 0.0088P)
(P = power level in megawatts thermal = 2,817)

(\$75 + 0.0088(2,817)) million = \$ 99,789,600

Escalated Amount for unit =
99,789,600 x 3.864 = \$385,587,014

<u>Owner/Licensee</u>	<u>Ownership</u>	
FirstEnergy Nuclear Generation Corp.	100.00%	<u>\$385,587,014</u>

Enclosure D

Decommissioning Funding Status Report – Perry Nuclear Power Plant
Page 1 of 2

This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in Perry Nuclear Power Plant as of December 31, 2008.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c) (see Schedule 1):

Ohio Edison Company	\$ 70,615,314
FirstEnergy Nuclear Generation Corp. (FENGenCo)	<u>490,714,686</u>
FirstEnergy Consolidated	<u>\$561,330,000</u>

2. The amount accumulated in external trust funds at December 31, 2008:

Ohio Edison Company	\$ 52,957,080
FENGenCo	<u>322,564,172</u>
FirstEnergy Consolidated	<u>\$375,521,252</u>

3. A schedule of the annual amounts over the number of years remaining to be collected from ratepayers:

Amount Remaining	\$0
Number of years to Collect	0

4. The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership Interest in Unit	100%
"Real" Rate of Return through Dismantlement	2.00%
Year of Final Dismantlement	2034
Year of License Termination	2026

5. There are no contracts upon which the owners/licensees are relying pursuant to 10 CFR 50.75(e)(1)(v).
6. There has been no modification to the current method of providing decommissioning funding assurance since the last submitted report.
7. There have been no material changes to the applicable trust agreement(s) since the last submitted report.
8. FENOC recognizes that a shortfall of a de minimis amount exists for FENGenCo under the NRC formula method. However, when combined in aggregate with Ohio Edison Company funds (another FirstEnergy Corp. subsidiary), no shortfall exists.

Enclosure D

Decommissioning Funding Status Report – Perry Nuclear Power Plant
Page 2 of 2

Schedule 1
FIRSTENERGY CORP.
Calculation of Minimum Financial Assurance Amount
December 31, 2008
PERRY NUCLEAR POWER PLANT

Ohio Regions

Labor (L) = Midwest
Energy (E) = National
Waste Burial (B) = South Carolina

For BWR Unit

	Adjustment Factor	Ratio	Escalation Factor
L =	2.240	0.65	1.456
E =	1.830	0.13	0.238
B =	11.198	0.22	<u>2.464</u>
BWR Escalation Factor =			4.158
Base Amount for BWR greater than 3400 MWt =			\$135,000,000
Escalated Amount for unit = 135,000,000 x	4.158	=	<u><u>\$561,330,000</u></u>

<u>Owner/Licensee</u>	<u>Ownership</u>	
Ohio Edison Company	12.58%	\$ 70,615,314
FirstEnergy Nuclear Generation Corp.	87.42%	<u>\$490,714,686</u>
Total FENGenCo		<u><u>\$561,330,000</u></u>