



Terrance G. Howson
Vice President
Investor Relations

FirstEnergy Corp.
76 S. Main Street
Akron, Ohio 44308
Tel 973-401-8519

April 30, 2002

TO THE INVESTMENT COMMUNITY:

The Nuclear Regulatory Commission (NRC) issued the attached news release today that announced implementation of a more formal and structured process for the restart of FirstEnergy's Davis-Besse Nuclear Power Station. This letter¹ will provide you with more background information about that process.

The IMC 0350 Process

As described in the NRC news release, the Commission is applying its Inspection Manual Chapter 0350 (IMC 0350), *Oversight of Operating Reactor Facilities in a Shutdown Condition with Performance Problems*, to the restart of Davis-Besse. IMC 0350 is a formal process the NRC uses for the restart of nuclear plants that have experienced a significant event and have a regulatory hold in effect, such as Davis-Besse's confirmatory action letter.

The purpose of IMC 0350 is to establish criteria for NRC oversight of the licensee's performance and to establish a record of the major regulatory and licensee actions taken, and technical issues resolved, leading to the NRC's approval of restart of the plant.

The NRC has established an IMC 0350 Oversight Panel to manage the IMC 0350 process. The NRC's news release details some of the key members of the Panel.

¹ This letter includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. These statements typically contain, but are not limited to, the terms "anticipate," "expect," "believe," "estimate," and similar words. Actual results may differ materially due to a number of factors including, but not limited to, the speed and nature of regulatory approvals.

One of the tools the NRC will use during IMC 0350 process is a plant-specific Restart Checklist. The Checklist normally addresses such items as plant specific issues and corrective actions taken by the licensee. We are preparing our version of the Restart Checklist for further discussion with the NRC. The NRC will perform inspections and reviews of the applicable items on the Restart Checklist.

The Oversight Panel will conduct periodic public meetings with the licensee to discuss the progress in completing the items on the Restart Checklist. These meetings will normally be held in the vicinity of the Davis-Besse plant.

Under IMC 0350, the NRC Regional Administrator, in consultation with NRC Headquarters, will decide whether to permit plant restart.

Schedule Impact

Davis-Besse will not be returned to service until FirstEnergy and the NRC are satisfied that the plant will operate safely and reliably. We consider the implementation of IMC 0350 as another step that will help assure that all questions regarding the safety and reliability of the plant equipment will be fully addressed before the restart. The IMC 0350 process will provide the NRC with a structured single-point approach for the restart process and will aid in providing the NRC and the public with the necessary assurances on plant safety and reliability.

Although the use of IMC 0350 should not significantly change our restart activities, additional delays could result. However, we continue to believe that -- with NRC approval -- Davis-Besse could return to service in the third quarter of this year.

Should you have any questions, please call Kurt Turosky, Director of Investor Relations, at (330) 384-5500 or me at (973) 401-8519.

Very truly yours,

Terrance G. Howson
Vice President – Investor Relations

NRC NEWS

U.S. NUCLEAR REGULATORY COMMISSION

Office of Public Affairs, Region III
801 Warrenville Road, Lisle IL 60532

www.nrc.gov

No. III-02-
023

April 30, 2002

CONTACT: Jan Strasma (630) 829-9663
Pam Alloway-Mueller (630) 829-9662

E-mail:
opa3@nrc.gov

NRC ESTABLISHES AGENCY OVERSIGHT PANEL FOR DAVIS-BESSE REACTOR HEAD DEGRADATION ISSUE

The Nuclear Regulatory Commission staff has established a special oversight panel to coordinate the agency's activities in assessing the performance problems associated with the corrosion damage to the reactor vessel head at the Davis-Besse Nuclear Power Plant, monitoring corrective actions, and evaluating the readiness of the plant to resume operations.

The plant, operated by FirstEnergy Nuclear Operating Company, is located near Oak Harbor, Ohio. It has been shut down since mid-February for refueling and maintenance. While repairing cracks in control rod tubes which penetrate the reactor vessel head, plant personnel discovered significant corrosion damage to the vessel head. NRC's documents on the Davis-Besse inspection are posted on the NRC's web site at:

<http://www.nrc.gov/reactors/operating/ops-experience/vessel-head-degradation.html>

The oversight panel will include NRC management personnel and staff from the Region III office in Lisle, Illinois, the NRC Headquarters office in Rockville, Maryland, and the NRC Resident Inspector Office at the Davis-Besse site. John Grobe, Director of the Region III Division of Reactor Safety, will chair the panel. The panel will coordinate the NRC's regulatory activities in response to the Davis-Besse reactor vessel head corrosion. The plant will not restart until the NRC is satisfied that all current safety concerns have been resolved.

The panel will hold public meetings periodically with FirstEnergy representatives to review the status of activities associated with the corrosion damage. These meetings will normally be held in the vicinity of the Davis-Besse plant.

The oversight activities will be conducted under the agency's Inspection Manual Chapter 0350, which establishes the procedures to be followed for the oversight of utility performance for plants that are shut down as a result of significant performance problems or events.