



COMBUSTION ENGINEERING OWNERS GROUP

CE Nuclear Power LLC	Calvert Cliffs Nuclear Power Plant, Inc. Calvert Cliffs 1, 2	Entergy Operations, Inc. ANO 2 WSES Unit 3	Korea Electric Power Corp. YGN 3, 4 Ulsin 3,4	Omaha Public Power District Ft. Calhoun
Arizona Public Service Co. Palo Verde 1, 2, 3	Consumers Energy Co. Palisades	Florida Power & Light Co. St. Lucie 1, 2	Northeast Utilities Service Co. Millstone 2	Southern California Edison SONGS 2,3

February 9, 2001
CEOG-01-046

NRC Project 692

Chief Financial Officer
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Subject: Request for Waiver of Review Fees for CEOG Reports CE NPSD-994, 995, 996

Reference: (1) CEOG Letter, D. Pilmer to NRC, "C-E Owners Group Submittal of Joint Application Reports," CEOG-95-344, dated July 10, 1995.
(2) CEOG Letter, D. Pilmer to NRC, "Request for Non-Assessment of Fees," CEOG-96-451, dated November 1, 1996.

Pursuant to 10 CFR 170.21, footnote 4, the Combustion Engineering Owners Group (CEOG) hereby requests a waiver of \$410,000 in fees charged in connection with Nuclear Regulatory Commission review of CEOG topical reports CE NPSD-994, 995, and 996. These topical reports were submitted to the NRC to assist in generic development of regulatory guidance and for the purpose of supporting generic regulatory improvements or efforts, and therefore meet the criteria for waiver of NRC review fees set forth in footnote 4 to 10 CFR 170.21. The basis for this request is discussed in more detail below.

Significant advances in and experience with risk assessment methodology have resulted in the Commission advocating certain changes to the development and implementation of its regulations through the use of risk-informed, and ultimately performance-based, approaches. The Probabilistic Risk Assessment (PRA) Policy Statement (60 FR 42622, August 16, 1995) formalized the Commission's commitment to risk-informed regulation through the expanded use of PRA. The PRA Policy Statement states, in part, "The use of PRA technology should be increased in all regulatory matters to the extent supported by the state of the art in PRA methods and data, and in a manner that complements the NRC's deterministic approach and supports the NRC's traditional defense-in-depth philosophy."

CEOG topical reports CE NPSD-994, 995 and 996 formulated first-of-a-kind risk-informed bases for extending the allowable outage time of safety injection tanks, low-pressure safety injection system components and emergency diesel generators. These reports were submitted for staff review and approval by means of Ref. 1; a prior fee waiver request was submitted in Ref. 2.

As noted in SECY-99-246, "Proposed guidelines for applying risk-informed decision making in license amendment reviews," the staff envisions several procedure changes to existing Regulatory Guides and Standard Review Plans to gain more consistency in the process of analyzing and evaluating the risk implications of proposed changes. It is our understanding from discussions with the staff that the processes and results documented have been instrumental in assisting the NRC in formulating PRA policy statements, regulatory guides, and standard review plans associated with risk-informed applications. Further, the configuration risk management program developed in support of these tasks has formed the basis for integrating risk-informed tools with the risk-informed maintenance rule promulgated in 10 CFR 50.65(a)(4).

The process improvements described above clearly reduced NRC resource requirements and provide a risk-informed basis for Regulatory Guides 1.174 and 1.177; the Maintenance Rule; and revisions to Chapter 19 of the Standard Review Plan. In consideration of benefits resulting from application of this guidance, the CEOG requests that fees associated with review of the subject reports be waived.

This request for fee waiver is based on footnote 4 to 10 CFR 170.21 which states that fees will not be assessed for reports submitted to the NRC to assist the NRC in developing a rule, regulatory guide, policy statement, generic letter or bulletin (criterion 2) or as a means of exchanging information between industry organizations and the NRC for the purpose of supporting generic regulatory improvements or efforts (criterion 3). As demonstrated herein, the CEOG topical reports meet this criteria and therefore the NRC should grant a fee waiver.

The CEOG has been assessed fees of approximately \$410,000 for the review and approval of these reports. For comparison, the cost to develop these Task 836 reports was approximately \$162,000.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Richard A. Bernier, Chairman
CE Owners Group

cc: J. S. Cushing, US NRC
C. B. Brinkman, W

cc: CE Owners Group
CEOG Licensing and PSA Subcommittees
Charles Cruse, CCNPPI
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