



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

May 27, 1997

Combustion Engineering Owners Group
ATTN: D. F. Pilmer, Chairman
C-E Owners Group
1000 Prospect Hill Road
P.O. Box 500
Windsor, CT 06095-0500

Dear Mr. Pilmer:

I am responding to your November 1, 1996, request that fees not be assessed for NRC's review and approval of the Joint Application Reports submitted by Combustion Engineering Owners Group (CEOG) on July 10, 1996, and associated license amendments. You requested that fees not be assessed for NRC review of those portions of the Reports that NRC will use to develop regulatory guidance and improvements.

You requested the exemption in accordance with Footnote 4, 10 CFR 170.21, and provided the following bases for your request: 1) the reports contain the results of risk-informed applications for the improvement of Technical Specification Allowable Outage Times; 2) the reports are unique in that they document deterministic and probabilistic evaluations and the associated plant specific results for the CEOG plants; 3) the results have been cross compared to understand the reasons for differences and to understand the insights gained from the PRA and deterministic evaluations; 4) the reports have illustrated a process for performing risk-informed applications; and 5) you have worked closely with the NRC and believe the processes and results documented in the reports assist the NRC in formulating PRA policy statements, regulatory guides, and standard review plans currently under development for risk-informed applications.

Footnote 4 of 10 CFR 170.21 provides that Part 170 fees will not be assessed for requests/reports which have been submitted to the NRC:

1. In response to a Generic Letter or NRC Bulletin that does not result in an amendment to the license, does not result in the review of an alternate method or reanalysis to meet the requirements of the generic letter, or does not involve an unreviewed safety issue;
2. In response to an NRC request (at the Associate Office Director level or above) to resolve an identified safety, safeguards, or environmental issue, or to assist NRC in developing a rule, regulatory guide, policy statement, generic letter, or bulletin; or
3. As a means of exchanging information between industry organizations and the NRC for the purpose of supporting generic regulatory improvements or efforts.

Fees assessed under Part 170 are intended to recover the costs to the NRC of providing identifiable services to applicants and holders of NRC licenses. Topical reports submitted to the NRC for review and approval such as the ones filed by CEOG do not meet the criteria for exemption from the Part 170 fees. To be considered for fee exemption, the reports must be submitted, in response to an NRC request, specifically for the purpose of assisting NRC in developing a rule, regulatory guide, policy statement or as a means of exchanging information between industry organizations and the NRC for the purpose of supporting generic regulatory improvement or efforts. Although the NRC may realize some benefits from the review and approval of topical reports that are submitted for specific purposes other than those outlined in the criteria for the fee exemption, the primary beneficiary of the review and approval of such reports is the owners group, in this case, CEOG. Accordingly, your request for an exemption from the fee is denied.

If you have questions in this matter, please contact Glenda Jackson at 301-415-6057.

Sincerely,



Jesse L. Funches
Chief Financial Officer