



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

WASHINGTON, D.C. 20555-0001

November 10, 1999

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Mr. Peter S. Hastings, Licensing Manager
Duke Cogema Stone & Webster
PO Box 31486
Charlotte, NC 28321-1847

Dear Mr. Hastings:

This letter is to advise you of the fee requirements for the U.S. Nuclear Regulatory Commission (NRC) activities related to the anticipated license application from Duke Cogema Stone & Webster (DCS) to construct and operate a mixed-oxide (MOX) fuel fabrication facility.

A copy of the NRC's fee regulations, 10 CFR Part 170 and 171, is enclosed. As provided in fee category 12 of 10 CFR 170.31, all pre-application activities are subject to full cost fee recovery. Pre-application activities identified by the staff to date include such activities as the NRC's preparation of the Standard Review Plan for the MOX facility, consultation/coordination meetings, research efforts, and NRC activities related to the review of various documents DCS may submit prior to the license application, e.g., quality assurance plan, criticality validation report, and seismic analysis.

DCS will be billed, on a quarterly basis, for all professional staff hours and contractual technical support expended in the performance of the pre-application activities. In addition, based on the FY 1999 final fee rule which went into effect August 9, 1999, DCS will be assessed Part 170 fees to recover the full cost of Project Manager (see 10 CFR 170.12(b)) activities.

Although DCS became the Department of Energy (DOE) contractor for MOX in March 1999, the first official meeting between NRC, DCS and the DOE to discuss the licensing of the MOX facility took place on May 27, 1999. Therefore, we have determined that the assessment of Part 170 fees to DCS will begin with the May 27, 1999 meeting.

If you have any questions regarding the assessment of fees, please contact Maurice Messier at (301) 415-6087. If you have any questions related to the pre-application activities, please contact the MOX Project Manager, Mr. Andrew Persinko, at (301) 415-6522.

Sincerely,

A handwritten signature in black ink, appearing to read "James Turdici".

James Turdici, Director
Division of Accounting and Finance
Office of the Chief Financial Officer

Enclosure: 10 CFR Parts 170, 171

Docket: 70-3098

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(*See previous concurrence)

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NAME	JTurdici								
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