

DRAFT SUPPORTING STATEMENT
FOR
ANNUAL FINANCIAL REPORT
AND OTHER
FINANCIAL REQUIREMENTS

10 CFR 50.71(b) AND APPENDIX C, SECTION III

DESCRIPTION OF THE INFORMATION COLLECTION

The requirement for the annual financial report, including the certified financial statements, arises from the Atomic Energy Act of 1954, as amended, Section 182, "License Applications." Section 182(a) provides, among other things, that each application for a license shall state such information as the Commission, by rule or regulation, may determine to be necessary to decide the financial qualifications of the applicant as the Commission may deem appropriate for the license. Annual financial reporting is specified in 10 CFR 50.71(b) and Appendix C, Section III. Appendix C, Sections I and II, specify the financial data and related information required to establish financial qualifications for facility construction permits. The burden for Appendix C, I and II, is addressed in the Section 1 Supporting Statement.

The annual financial reporting requirement affects 127 power reactor licensees, including co-owners and 1 non-power testing facility.

A. JUSTIFICATION

1. Need for and Practical Utility of the Collection of Information

Section 10 CFR 50.71(b) requires licensees and holders of construction permits to file with the Commission annual financial reports, including certified financial statements. This requirement is also specified in Appendix C, Section III, for holders of construction permits. The fundamental purpose of the financial qualifications provision is the protection of public health and safety and the common defense and security. A licensee's or holder's (including a co-owner's) financial resources may affect its ability to meet its responsibilities on safety matters.

The Commission reserves the right to require additional financial information during construction or operation of a facility, particularly in cases in which the nuclear power plant will be commonly owned by two or more existing companies, or in which financing depends upon long-term arrangements for the sharing of the electric power output of the facility by two or more electric power generating companies. The annual financial report provides financial information after a construction permit has been issued for a nuclear power plant.

2. Agency Use of Information

The annual financial reports, and any other pertinent material that may be needed, are used by NRC staff for financial monitoring of the respondents individually, and of the industry as a whole. If it appears that any respondent is experiencing financial difficulties, this information is useful for NRC consideration of any appropriate actions.

3. Reduction of Burden Through Information Technology

There is no legal obstacle to the use of information technology. Moreover, NRC encourages its use. The NRC is making available its "ADAMS" electronic documents system which provides for electronic submission of reports from licensees, including these reports. However, since annual reports are published by licensees in great quantity, paper submittals are acceptable.

4. Effort to Identify Duplication and Use Similar Information

The information requested in Section 50.71(b) and Appendix C, Section III, is not required by any other regulation. The financial information required by Section 50.33(f) for applications for construction permits and operating licenses is used to establish financial qualifications needed before NRC can approve the applications and is not duplicated here (see the Section 1 Supporting Statement). The Information Requirements Control Automated System (IRCAS) was searched and no duplication was found.

There is no source for the required information other than nuclear reactor licensees/construction permit holders, including co-owners.

5. Effort to Reduce Small Business Burden

This information collection does not affect small business as defined by the size standard adopted by NRC in 10 CFR 2.810.

6. Consequences to Federal Program or Policy Activities if the Collection is Not Conducted or is Conducted Less Frequently

If the information is not submitted when required, there could be a situation where a licensee's financial resources are questionable, which could affect the licensee's ability to meet responsibilities on safety matters.

7. Circumstances which Justify Variation from OMB Guidelines

This information collection does not vary from OMB guidelines.

8. Consultations Outside the NRC

Notice of opportunity for public comment on this information collection has been published in the Federal Register.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of Information

Confidential financial information is protected in accordance with 10 CFR 2.790 of the NRC's regulations.

11. Justification for Sensitive Questions

This information collection does not require sensitive information.

12. Estimated Industry Burden and Burden Hour Cost

Responses are required from about 127 power reactor licensees, including co-owners, and 1 non-power testing facility. Staff's best estimate is that approximately one hour is needed by industry to respond to these annual reporting requirements. Therefore, there is 128 hours of industry burden at a cost of \$19,968 (\$156 x 128). Staff estimates that of this burden, approximately 10 percent (13 hours) is attributable to recordkeeping associated with the submittal, and the remainder (115 hours) is reporting.

13. Estimate of Other Additional Costs

None.

14. Estimated Annualized Cost to the Federal Government

It is estimated that approximately one hour of staff effort is required to review each of the 128 annual submittals. Therefore, total cost to the Federal government is expected to be \$19,968 (\$156 x 128). This cost is fully recovered through fee assessments to NRC licensees pursuant to 10 CFR Parts 170 and/or 171.

15. Reasons for Changes in Burden or Cost

There is no change in burden.

16. Publication for Statistical Use

The collected information is not currently used for statistical purposes.

17. Reason for Not Displaying the Expiration Date

The requirement is contained in a regulation. Amending the Code of Federal Regulations to display information that, in an annual publication, could become obsolete would be unduly burdensome and too difficult to keep current.

18. Exceptions to the Certification Statement

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.