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PROPOSED RULE **PR 170 + 171**
(68FR 16374)

Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
Attn: Rulemakings and Adjudications Staff



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USNRC

May 16, 2003 (1:05PM)

OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

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SUSQUEHANNA STEAM ELECTRIC STATION
COMMENTS ON PROPOSED REVISION OF NRC FEE SCHEDULES
PLA-5625

To Whom It May Concern:

PPL Susquehanna, LLC would like to submit the following comments regarding proposed amendments to 10 CFR Parts 170 and 171, "Revision of Fee Schedules; Fee Recovery for FY 2003", that were published in the Federal Register on April 3, 2003:

- The proposed amendments provide for a total increase of \$46.8 million in fee recovery for FY 2003. This translates to a proposed annual fee of \$3,278,000 for operating power reactors, approximately 15% higher than the annual fee for FY 2002. This increase is proposed despite a 2% drop in the fee recovery rate as mandated by the FY 2001 Energy and Water Appropriations Act, which amended the Omnibus Budget Reconciliation Act of 1990 to address concerns with charges for agency budgeted costs that do not provide a direct benefit to NRC licensees. This increase does not appear to be fair and equitable as envisioned by the governing legislation.
- Particular attention is called to the fact that \$29.3 million (over 60%) of this increase is associated with homeland security activities within NRC. We are concerned that there is duplication and overlap of functions that are more properly supplied by other federal agencies, such as the FBI, CIA and the Department of Homeland Security. It is not clear that sufficient reliance is being placed with these agencies that have primary responsibility and expertise in these areas.
- Further, this proposed increase does not reflect the proper position that such extraordinary costs for protection of the nation's critical infrastructure should be borne by the Federal government. For justified increases that do not represent duplication and overlap of effort with agencies with primary responsibility and expertise, such costs should be funded through the general treasury rather than by user fees.

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- The Regulatory Analysis that accompanies the proposed amendments states, in part, that the annual fees shall, to the maximum extent practicable, have a reasonable relationship to the cost of regulatory services provided by the Commission. Certain costs that are proposed for allocation under the FY 2003 surcharge appear to fall well short of this standard. In particular, items listed under (d)(1)(ii) of Section 171.15 are categorized as activities not attributable to an existing NRC licensee or class of licensees. Such costs should not be included in the proposed license fee schedules.

I understand that Mr. Stephen D. Floyd of the Nuclear Energy Institute (NEI) has also submitted comments on this proposed rule on behalf of the commercial nuclear industry. I endorse Mr. Floyd's input and request that the above comments be given due consideration in conjunction with positions as stated in the NEI letter towards reaching a final determination on the proposed amendments to 10 CFR Parts 170 and 171.

Sincerely,



Bryce L. Shriver
Sr. Vice-President and Chief Nuclear

copy: NRC Region I
Mr. S. L. Hansell, NRC Sr. Resident Inspector
Mr. R. V. Guzman, NRC Project Manager
Mr. S. D. Floyd, NEI