

October 27, 2003

Mr. J. B. Beasley, Jr.  
Vice President  
Southern Nuclear Operating Company  
Post Office Box 1295  
Birmingham, Alabama 35201

SUBJECT: WAIVER OF FEE BILLING FOR PROCESS IMPROVEMENTS IN SAFETY  
REVIEWS OF FARLEY NUCLEAR PLANT, UNITS 1 AND 2 LICENSE  
RENEWAL APPLICATION

Dear Mr. Beasley:

The Chief Financial Officer (CFO) of the Nuclear Regulatory Commission has granted a partial fee waiver for the process improvements in safety reviews of the Farley Nuclear Plant, Units 1 and 2 license renewal application in accordance with the criteria set forth in 10 CFR 170.11. Please see the attached memorandum dated October 8, 2003 from Jesse L. Funches, CFO to Jim Dyer, Director, Office of Nuclear Reactor Regulation. If you have any questions or comments, please call me at 301-415-1183.

Sincerely,

**/RA/**

Pao-Tsin Kuo, Program Director  
License Renewal and Environmental Impacts  
Division of Regulatory Improvement Programs  
Office of Nuclear Reactor Regulation

Enclosure: As stated above

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Distribution: OCFO R/F

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per memo from Rica Sola, J. Funches, OCFO concurrence is not required; dated 10/20/03

OFFICE	PM:RLEP:DRIP	LA:RLEP:DRIP	PD:RLEP:DRIP
NAME	RAnand	MJenkins	PTKuo
DATE	10/16/03	10/16/03	10/27/03

OFFICIAL RECORD COPY

October 8, 2003

MEMORANDUM TO: Jim Dyer, Director  
Office of Nuclear Reactor Regulation

FROM: Jesse L. Funches /RA/  
Chief Financial Officer

SUBJECT: REQUEST FOR WAIVER OF FEE BILLING FOR PROCESS  
IMPROVEMENTS IN SAFETY REVIEWS OF LICENSE RENEWAL  
APPLICATIONS

I am responding to R. William Borchardt's memorandum of August 28, 2003, requesting a fee waiver for process improvements related to safety reviews of license renewal applications under 10 CFR Part 170. Specifically, three licensees, Farley, Arkansas Nuclear One Unit 2, and DC Cook, will participate in a pilot of the improved license renewal review process. Consistent with the fee waiver approach used during the staff's development of NUREG-1800, "Standard Review Plan for Review of License Renewal Applications for Nuclear Power Plants," and NUREG-1801, "Generic Aging Lessons Learned Report" (GALL), I have determined that a partial fee waiver is appropriate for the three licensees participating in the NRC's pilot program for improving the process of reviewing license renewal applications.

Mr. Borchardt's fee waiver request is predicated on 10 CFR Part 170.11(b)(1), which states, "The Commission may, upon application by an interested person, or upon its own initiative, grant such exemptions from the requirement of this part as it determines are authorized by law and are otherwise in the public interest." Additionally, his request is based on the following considerations: 1) the pilot program will assist the staff in identifying process improvements for reviewing license renewal applications, thereby leading to increased staff efficiencies in future corresponding reviews; 2) this program will lead to lessons learned that will be incorporated into future updates of NUREG-1800 and NUREG-1801; and 3) the fee waiver will provide an incentive to licensees who otherwise may not be responsive to the staff's efforts in developing this program.

Based on the foregoing information, I am granting a partial fee waiver for this process improvement program in accordance with the criteria set forth in 10 CFR 170.11. This partial fee waiver applies only to the staff's efforts associated with participation on the GALL audit teams, for which a non-fee billable TAC should be established. The partial fee waiver does not apply to any other plant-specific review costs for the licensees' renewal applications, including site visits by technical reviewers. These costs will be billed to each licensee under Part 170 fee for services.

cc: R. W. Borchardt, NRR

CONTACT: S. Crutchfield, OCFO/DFM/LFT  
415-6097

ENCLOSURE