

Outline

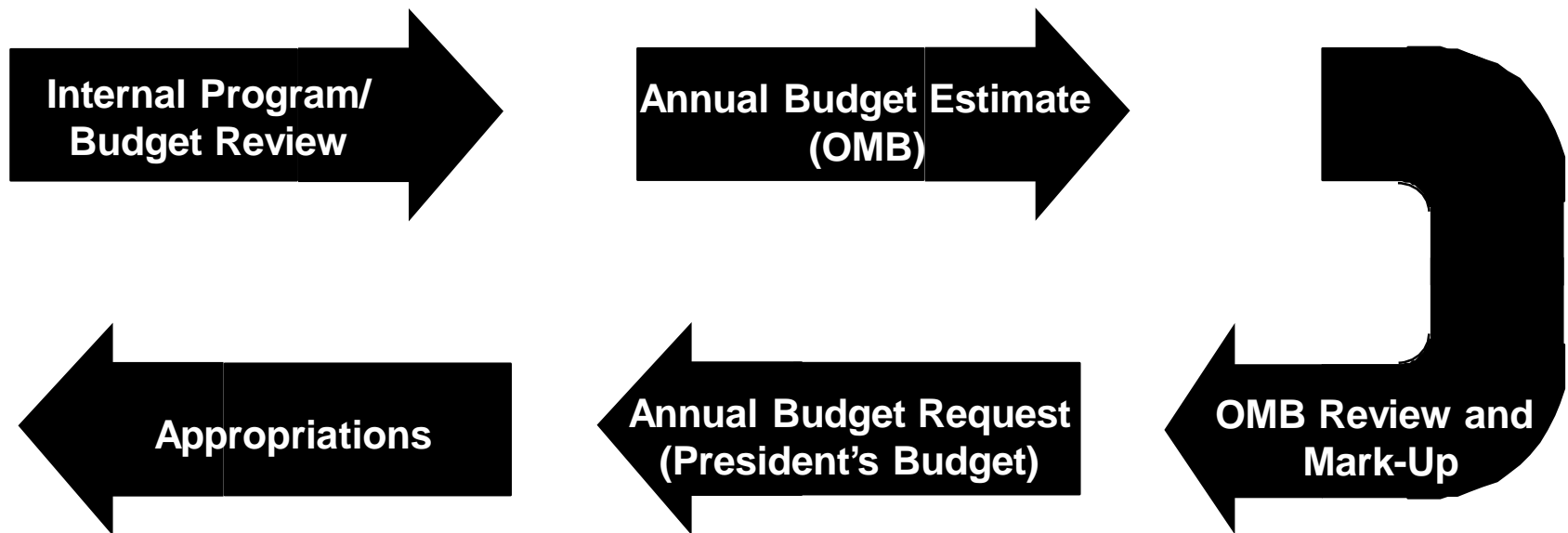
- Why Does NRC Assess Fees?
 - Laws Governing NRC Fees
- NRC Annual Fee Cycle
 - Process Overview
 - Developing NRC Fees
 - Fee Recovery Amount
 - Fee Classes
 - Part 170
 - Part 171
 - Power Reactor Fees
 - Fuel Facilities Fees
 - Uranium Recovery Fees

LAWS GOVERNING NRC FEES

- Independent Offices Appropriation Act (IOAA) of 1952
 - Regulations Under Part 170 of Title 10 of the Code of Federal Regulations (CFR)
 - Fee for Services
 - Billed as Hours Expended Times NRC Professional Hourly Rate
- Omnibus Budget Reconciliation Act of 1990 (OBRA-90), as amended
 - Regulations under Part 171 of Title 10 of the CFR
 - Collect Approximately 90% of Budget Authority by End of Fiscal Year(FY)
 - Recover Through Annual Fees
 - Research Costs
 - Rulemaking Costs
 - Other Agency Costs Not Recovered Under IOAA

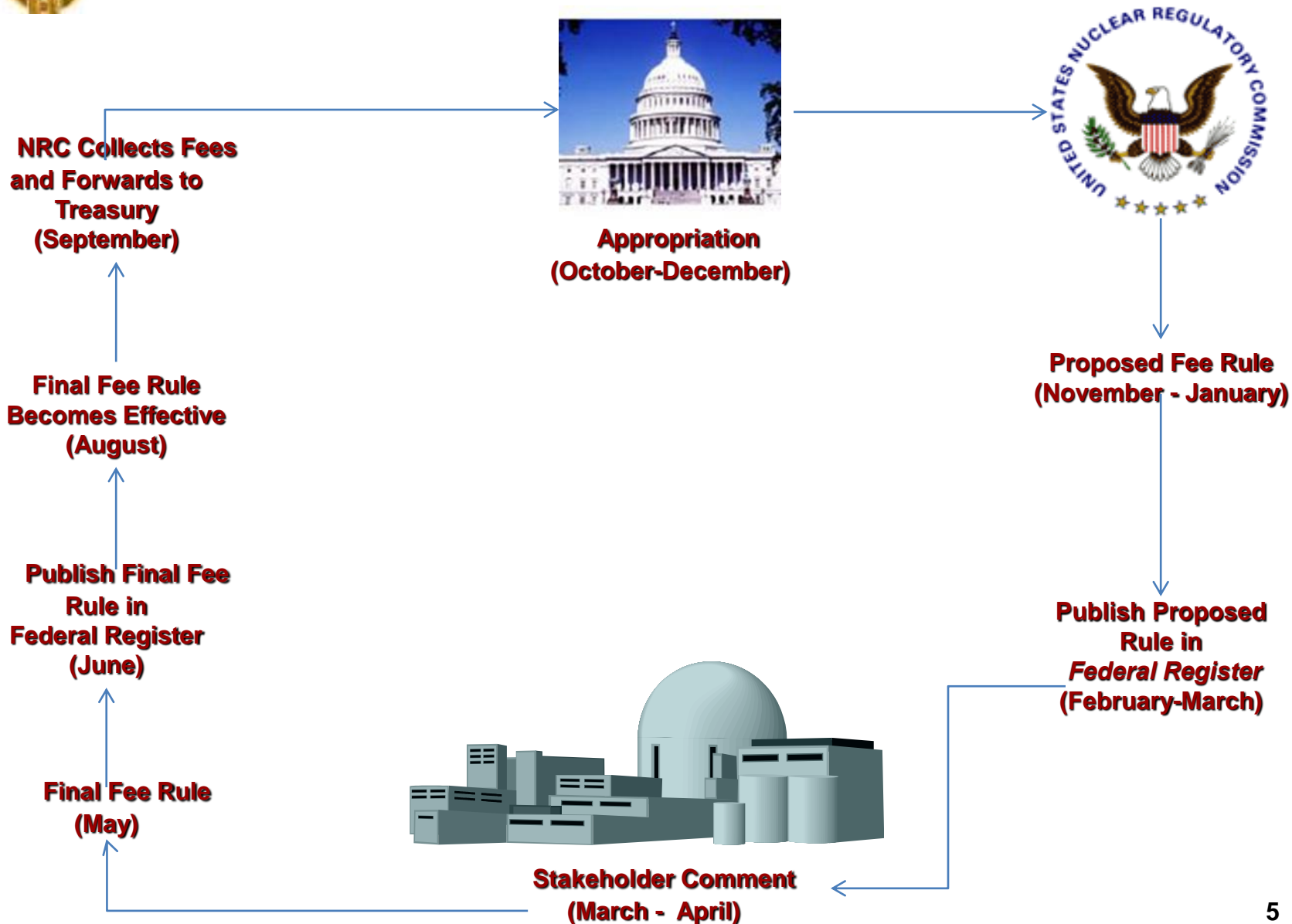
NRC BUDGET FORMULATION PROCESS

Establishing Budgetary Authority





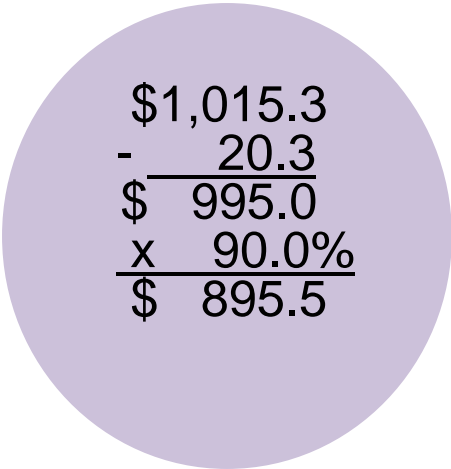
ANNUAL FEE PROCESS and TIMELINES



BUDGET AND FEE RECOVERY AMOUNTS FOR FY 2015 FINAL RULE

[Dollars in Millions]

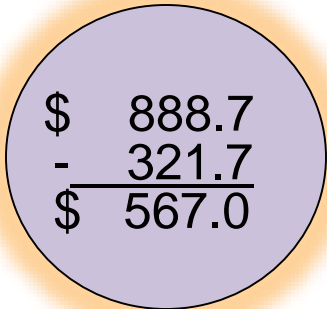
Total Budget Authority
*Less Non-Fee Items
Balance
Fee Recovery Rate for FY 2015
Total Amount to be Recovered For FY 2015


$$\begin{array}{r} \$1,015.3 \\ - \quad 20.3 \\ \hline \$ \quad 995.0 \\ \times \quad 90.0\% \\ \hline \$ \quad 895.5 \end{array}$$

Less Billing Adjustments

$$- \quad 6.8$$

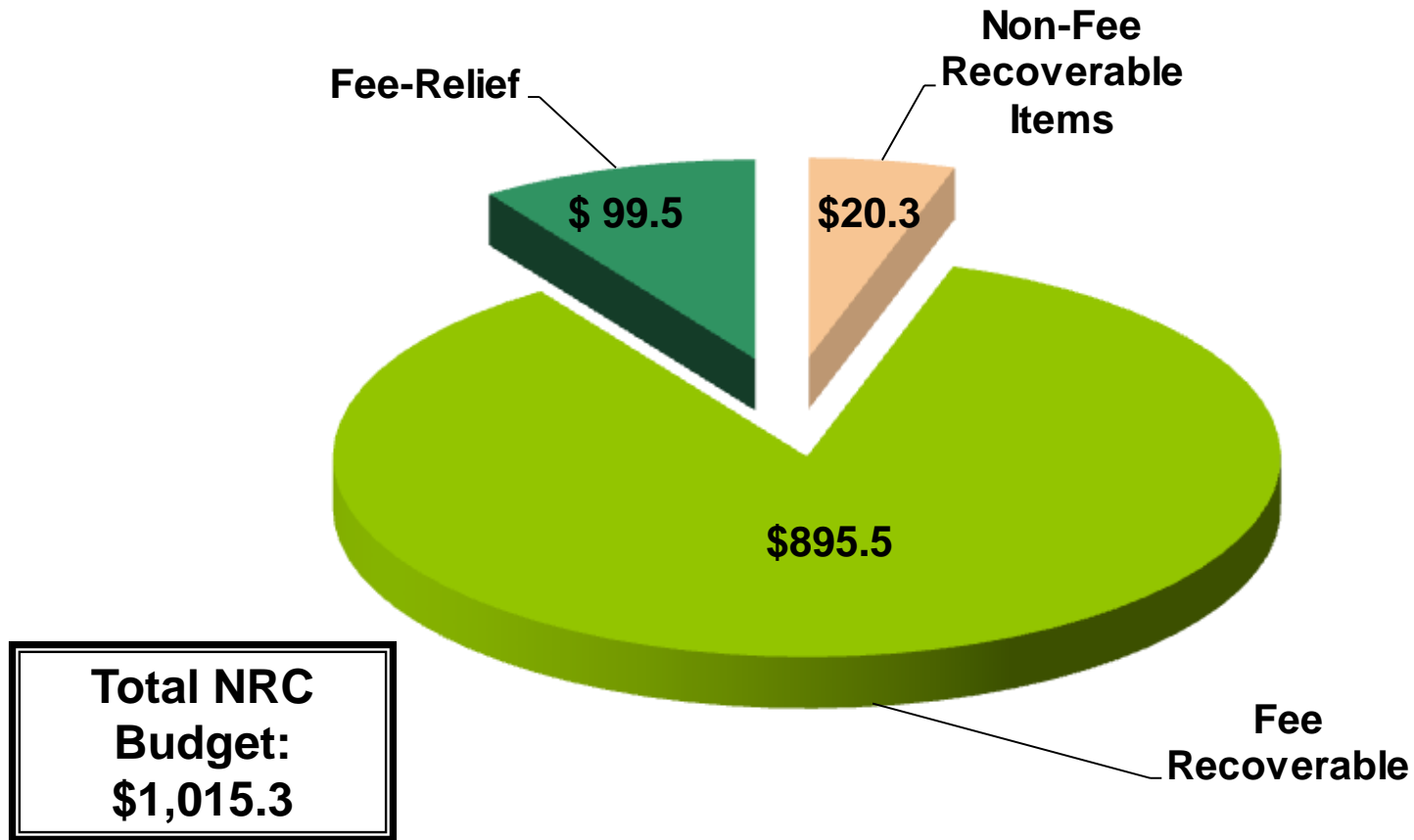
Adjusted Recovery Amount
Less Estimated Part 170 Billings
Part 171 Fee Collections Required


$$\begin{array}{r} \$ \quad 888.7 \\ - \quad 321.7 \\ \hline \$ \quad 567.0 \end{array}$$

*Includes Waste Incidental to Reprocessing, Generic Homeland Security and Defense Nuclear Facilities Safety Board

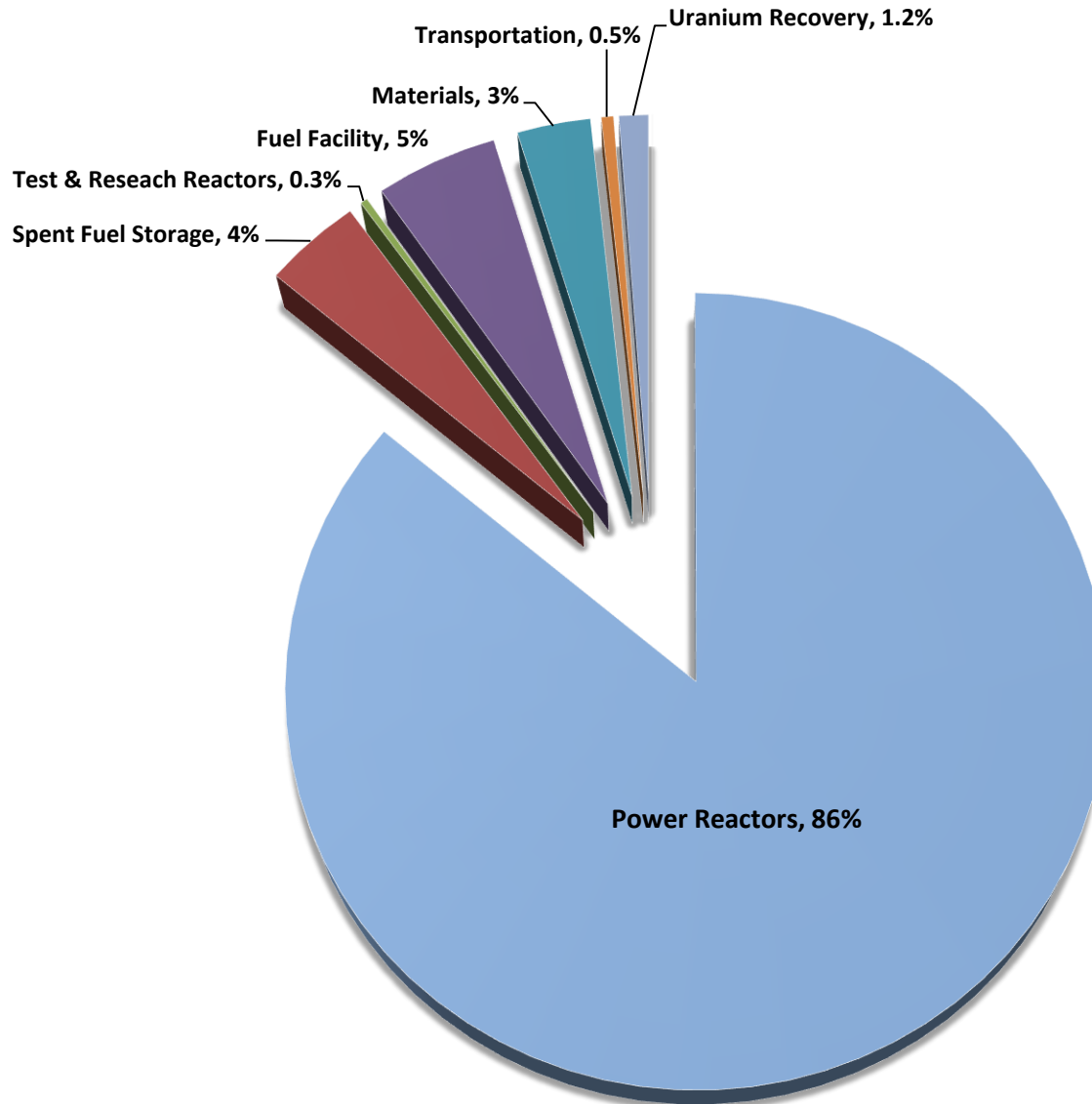
FY 2015 Final Fee Rule Budget

[Dollars in Millions]



License Fee Classes

Percentage of Budgeted Resources



Hourly Rate Methodology*

FY 2015 Final Fee Rule

FY 2015 Budget Included in Hourly Rates**

Mission Direct Program Salaries & Benefits		\$365.7M
Mission Indirect Program Support		67.7M
Office Support, Corporate Support, and IG		<u>422.6M</u>
Subtotal:		\$856.0M
Less Offsetting Receipts		- 0.0M
Total Budget Included in Hourly Rate		<u>\$856.0M</u>
Mission Direct FTEs:	2,250 FTEs	
Annual Direct Hours per Direct FTE:	1,420 Hours	
Professional Hourly Rate		\$268
(Total Budget Included in Hourly Rate divided by Mission Direct FTE Hours)		

* Methodology based on OMB circular A-25 "User Charges"

** Budget included in Hourly Rate calculation excludes Direct Program Contract Costs

10 CFR 170 Hourly Rate Calculation

Budget Resources

_____ = Hourly Rate

Mission Direct FTE Hours

FY 2015 Final Rule

Direct FTE

$$\frac{\$856,003,594}{(2,250 \times 1,420)} = \$268 \text{ hourly rate}$$

Productive Hours

Productive Hours = 2080
minus
• Training -
• Holidays -
• Vacation -
• Travel

HISTORY of PART 170 HOURLY RATE

Annual Direct Hours Per Full-Time Equivalent (FTE) Reflects the Time Expended by NRC Staff Performing Activities Directly Associated With Programmatic Mission of the NRC

Estimate of the Direct Hours Based on NRC's Time and Labor Data for a Prior Year

FISCAL YEAR	FEE RECOVERABLE BUDGET	BUDGET INCLUDED IN THE HOURLY RATE CALCULATION	DIRECT HOURS PER FTE	HOURLY RATE
2011	\$915.8M	\$837.4M	1,371 hours	\$273 per hour
2012	\$909.5M	\$848.0M	1,371 hours	\$274 per hour
2013	\$864.0M	\$839.6M	1,351 hours	\$272 per hour
2014	\$930.7M	\$866.2M	1,375 hours	\$279 per hour
2015	\$895.5M	\$856.0M	1,420 hours	\$268 per hour

10 CFR 170 Fee Estimate

- Develop estimates by License Fee Class
 - Use Billing data from 4 quarters
 - Includes Hourly Rate Charges and Contract Work
 - Adjust for changes in workload projections
 - Adjust for change in Hourly Rate
- Proposed Rule estimates 3 Quarters of Fees Collected
 - Invoice data: 3 quarters of prior year & 1 quarter of current year
- Final Rule estimates 1 Quarter of Fees Collected
 - Invoice data: 1 quarter of prior year & 3 quarters of current year

Part 171 – Annual Fees

Annual Fee Calculation

1. Budgeted resources by Fee Class
2. Less estimated Part 170 receipts
3. Add allocated generic transportation
4. Allocate Net Fee-Relief/Low Level Waste (LLW) Surcharge
5. Allocate billing adjustment
6. Balance is the required annual fee recovery amount

Part 171 Calculation example: Power Reactor Fee Class

[Dollars in Millions]

	FY 2011	FY 2012	FY 2013*	FY 2014	FY 2015
Step 1 Budget:	783.6	781.4	734.7	799.3	762.1
Step 2 Billings: Part 170 Estimated	(\$320.6)	(\$295.5)	(\$303.8)	(\$290.9)	(\$284.1)
Step 3-6 Remaining: Allocated to Annual Fee	460.9	473.7	424.2	499.9	475.9

Operating Reactors	104	104	102	100	99
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Annual Fee per Reactor	\$4,432,000	\$4,555,000	\$4,159,000	\$4,999,000	\$4,807,000
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*Sequestration, the Decommissioning of 2 Reactors, and a Fee Billing credit error in FY13 contributed to the Part 171 Fee increase in FY14.

Part 171 Calculation example: Fuel Facilities Fee Class

[Dollars in Millions]

	FY 2011	FY 2012	FY 2013	FY 2014 *	FY 2015 **
Step 1 Budget:	55.7	54.4	50.7	47.2	42.8
Step 2 Billings: Part 170 Estimated	(\$26.6)	(\$25.6)	(\$19.5)	(\$16.7)	(\$11.5)
Step 3-6 Remaining: Allocated to Annual Fee	30.1	29.7	32.9	29.5	33.9

No. of Licensees	12	10	10	10	9
Average Change	12%	4%	10.5%	2.6%	18.1%

* FY 2014 increase is due to a licensee downgrading their license.

** Despite the decrease in budgeted resources, the fuel facilities annual fees in FY 2015 increased compared to FY 2014 due to reduced 10 CFR part 170 billings for operation reviews and inspections resulting from numerous delays at the Chicago Bridge and Iron AREVA MOX Services Mixed Oxide Fuel Fabrication Facility, the International Isotopes uranium de-conversion facility, the Global Laser Enrichment (GLE) uranium enrichment facility, and the AREVA Eagle Rock Uranium Enrichment facility. Annual fees also increased as a result of the termination of the certificate for United States Enrichment Corporation's Paducah, Kentucky facility.

Part 171 Calculation example: Uranium Recovery Fee Class

[Dollars in Millions]

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Step 1 Budget:	7.15	9.53	9.93	10.86	11.26
Step 2 Billings: Part 170 Estimated	(6.10)	(8.30)	(8.86)	(9.53)	(10.13)
Steps 3-6 Remaining: Allocated to Annual Fee	1.01	1.03	1.00	1.18	1.06

Dept. of Energy: UMTRCA
program

0.77	0.78	0.70	0.82	0.67
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Remaining licensees

0.24	0.25	0.30	0.36	0.39
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1.01	1.03	1.00	1.18	1.06
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Percentage Change for Remaining UR licensees

-15%	-5%	+18%	+21%	+7%
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FY 2015 Annual Fee Recovery: Groups

TOTAL ANNUAL FEE AMOUNT (excl. fee-relief adjustment):	\$1,042,780	
TOTAL FEE-RELIEF ADJUSTMENT:	<u>\$12,503</u>	
TOTAL:	\$1,055,283	100%

GROUP 1: DOE UMTRCA portion of Annual Fee Recovery

	<u>Contract \$</u>	<u>FTE</u>	<u>FTE Rate</u>	<u>Less: Part 170 Receipts</u>	<u>Total Fee</u>	
DOE UMTRCA Budgeted Resources:	\$0	1.9	\$380,550	-\$100,148	\$622,898	
10% x Total Annual Fee Amount (\$1,042,780 - \$622,898)					\$41,988	
10% of Fee Relief Activities					\$1,250	
					<u><u>Total:</u></u>	
					\$666,136	
					DOE's Annual Fee Rounded:	\$666,000
						63%

GROUP 2: Remaining UR licensees portion of Annual Fee Recovery

	<u>Total Fee</u>	
Remaining Annual Fee Amount (excl. Fee-Relief Adjustment):	\$377,894	
Remaining Fee Relief Adjustment (90%):	\$11,252	
	<u><u>\$389,146</u></u>	37%

Information Resources

- 10 CFR Part 170 and 10 CFR Part 171
<http://www.nrc.gov/reading-rm/doc-collections/cfr/>
- FY 2015 Fee Rule, Docket No. NRC-2014-0200
<http://www.regulations.gov>
 - Final Fee Rule (80 FR 37432; June 30, 2015)
 - Final work papers
 - Proposed Fee Rule (80 FR 15476; March 23, 2015)
 - Public Comments