

NWX-US NUCLEAR REGULATORY COM

**Moderator: Christian Leatherbury
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1:30 pm CT**

Coordinator: All lines are in a listen only mode. The call is recorded. Please stand by for today's speakers. You are live.

Woman 1: Thank you.

Maureen Wylie: Would you go to the next Slide? (Unintelligible) you all very much for coming to our...

Coordinator: We are unable to hear the speaker on the phones.

Maureen Wylie: That's because my button was not pushed. All right, let me try again. so thank you very much for coming and for those of you who are on the webinar, the slide that you see is our agenda for today for our very first meeting on fee billing and invoicing issues. I'm going to do a little introductory remarks, so let's go to the next Slide, please. And Maureen Wylie. I see some usual participants, so thank you very much for your continued interest in this area. So as I hope we've been able to demonstrate over the last several years, public trust and accountability is incredibly important to the NRC and to me as the NRC CFO.

We have been working hard to be open to feedback from our licensees, from our stakeholders more broadly, including congressional staff. And other stakeholders who have shown an interest in what we can do to make fees more transparent. And I have been following up with my team on those inputs for the last three years. We've also had a lot of internal work associated with business process re-engineering to make our fee billing processes faster, cleaner, more transparent, less manual. So it's a great next step for us to talk specifically about invoicing with the broader public.

So we have a number of initiatives that have been completed or are underway to continuously improving fee billing and invoicing. And so we'll be presenting information today on two projects. One that we've completed implementation on and two that are underway. And then finally we'll touch on a new item for us, which is electronic billing.

We are going to spend quite a bit of time on our new invoice -- and in fact, after our facilitator Meg Gold runs through the usual ground rules -- Meg and Blair will follow up to talk to our fabulous new invoice. For those of you who had an opportunity to use our old invoice, I hope that you're as happy as we are. And if not, we really want to hear how we can continue to improve. So Meg, if you'll get us underway, we're really looking forward to today's presentation.

Margaret Gold: Okay. Can you hear me, operator and everybody on the phone?

Coordinator: Yes, we can hear you loud and clear.

Margaret Gold: Great, okay. So my name is Meg Gold and I am the facilitator for today's meeting. As the NRC staff will make clear, the primary purpose of this meeting is to discuss updates to NRC licensee invoices and efforts being made

to enhance the validation process. As part of the meeting, there will be an opportunity for stakeholder feedback during the question/answer period, as is reflected on the agenda. First, some basic ground rules. We have no expectation that such will occur, however threatening gestures or statements will not be tolerated. The scope of the meeting -- including the subject of stakeholder comments -- should include invoice content, invoice transparency, and validation of charges. The fiscal year '18 revision of fee schedules, proposed rule, and fee calculations are not subjects of this public meeting.

Please hold your Q & A for the question and answer part of the meeting. And I would like to remind everybody that this meeting is in fact being recorded. A few quick minor housekeeping matters - the bathrooms are outside either door. And exits -- as you know -- are both sides of the room. Cameras are permitted. Please try not to obstruct the view of other audience members if you need to take (unintelligible). Also, if you have not yet done so, please silence your cell phones for the remainder of the meeting. With that, I turn the meeting over to Meghan Blair.

Coordinator: We're unable to hear the speaker.

Meghan Blair: Thanks Meg. Good afternoon. Oh, sorry. Operator?

Maureen Wylie: I'm sorry, Operator, did you say something?

Coordinator: Yes, we can hear you now.

Margaret Gold: Okay. Turning the meeting over to Meghan Blair. (Unintelligible) team leader.

Meghan Blair: Okay, thanks Meg. As Meg and Maureen mentioned, my name is Meghan Blair and I am the team leader for fee billing. Today I'm going to talk to you about the changes we recently implemented on our part 170 fees for services invoices. Next Slide, please? This is the invoice cover page that you're used to seeing. There are a couple sets of dates up at the top, fiscal year and quarter period. But what do these dates mean? Adding more clarity here with the dates could be helpful. It's also hard to tell if this bill is a part 170 fees for services invoice or if it's the annual fee under part 171 just by looking at the cover page.

There are also some other data points here; invoice number, date, due date, amount, docket, and so on. Let's take a look at the new cover page. Next Slide. Here's a mock of our redesigned invoice cover page. The type of invoice -- part 170 -- and the period of time in which the costs accumulated for billing are now clearly stated at the top of the invoice. We rearranged the data elements in the summary here so that they're in a more logical order, with the docket first, then the invoice number, and so on. We've also added a legend of acronyms at the bottom so you know exactly what CAC, EPID, and PMSRI stand for when you're reviewing the details of the invoice.

Next Slide. Prior to the changes, the CAC title shown here on this old invoice as the CAC IR name were not standardized across the agency and staff had a limited amount of guidance for developing CAC descriptions. As a result, some CAC titles may have been more helpful than others in conveying exactly what type of work activity was being performed. In addition, you could have the same work activity being performed for different licensing actions or different dockets, but it wasn't necessarily evident because of the inconsistencies in the CAC descriptions.

Also, all of the hours and costs for a CAC in a pay period were rolled up into a single line item, so you couldn't tell who performed the work just by looking at the invoice. Similarly, there's nothing on the invoice to indicate which contractor performed the work associated with the charges on the invoice. Further, hours and contract costs were comingled, making it difficult to distinguish between the two different types of costs. And costs for multiple licensing actions were comingled, making it difficult to distinguish the total cost for each different licensing action.

Now we'll look at the old invoice details for inspection costs. Next Slide - or this slide, thank you. Here you can see the inspection charges. Although the invoice provides the inspection report number and pay period for the charges, it may be helpful to the recipient of the invoice if it included more information such as who charged to the inspection and what inspection activities were performed. Also, costs for multiple inspections are comingled within this section of the invoice, making it difficult to distinguish the total charges for the various inspections.

All right, let's see what the improved invoice looks like. Next Slide, please. Here's a mock-up of the redesigned invoice details. We've implemented a new data structure that's being used to track all billable time. The structure includes a new data element called the enterprise project identifier, or EPIB. It is an umbrella code representing a project - meaning a licensing action, inspection, or other type of project. It's a smart code, so it tells you some information about what kind of project it is. The code starts with a single letter that references the category of the project. So I equals inspection, L equals licensing and certification. Then there's a four digit calendar year that represents the year in which the work began. It's followed by a three digit project sub-type. So for example, EPR equals emergency plan review. And then it ends with a four digit code that allows each EPIB to be unique.

Moving to number four there on the invoice, we have dramatically changed our cost activity codes or CACs. The codes are now standardized for all agency activities and no longer specific to a docket, making them reusable. This provides licensees with consistent descriptions of work being provided across licensing actions and inspections, as well as across dockets. This is a big change in the inspection space, since the old invoice only provided the inspection report number. Now inspection report numbers have been converted to EPIBs and we're providing the inspection activity descriptions on the invoice with the use of the CAC.

So now you can see how many hours were spent on each of the various activities within the inspection. In addition, we've implemented internal controls around the opening of new CACs. We don't anticipate a large volume of new CACs to be opened with the new structure, however when new CACs are needed, the process to request and open them is now standardized and OCFO is the final approver of all new CACs so we can ensure that they meet all criteria required for opening a new CAC, including the quality of the CAC description. We also ensure there's no duplication, in order to maintain the consistent use of CACs across licensing actions and across dockets.

Looking at numbers five and six up there, we've added the name of the staff and Contractor Company that have performed the work. This specific change was a tasking that was part of the fees transformation initiative under SKI 16-0097, which aims to increase transparency in the fees we're charging. Now you can see who was performing the work directly on the invoice. In addition, we've separated out the NRC staff hour cost from the contractor cost so each have their own subsection within the EPID for easier viewing.

Finally, you can see number seven we've added on the invoice a subtotal for each EPID for the invoice period. By using these new EPIDs -- coupled with a subtotal for each EPID -- it allows for easy tracking of cost at the licensing action or inspection level, since the cost for multiple inspections or licensing actions are no longer comingled on the invoice. There's also a final total for the docket at the end of the invoice as well.

Next Slide. Okay, here's a summary of the more significant changes we've made to the invoice. We have copies here up at the front, at the entrance. So if you didn't get a chance to pick one up, please feel free to do so. We also included this document in our last quarterly invoices that went out in January and there's - it's also posted on our external Web site; the link is right there on the slide. We welcome and value your feedback on the invoice, either during the Q & A portion of this meeting or you can feel free to call me at any time later on. My contact information is on the last slide. And I'm going to turn this presentation over to Jawanza Gibbs-Nicholson now, who will talk about the project she's leading to standardize the fee validation process.

Jawanza Gibbs-Nicholson: Thank you, Meghan. My name is Jawanza Gibbs-Nicholson and I'm going to briefly discuss the fee billing validation standardization project and why enhancing this program will be beneficial to you. Next, please. The validation process is one of the key components of NRC's fee billing program. On this screen you'll see a very high level overview to give you a better idea of the current flow. So the process begins in the yellow box when work is requested via an incoming licensing action or a scheduled inspection. From there, the NRC staff member will charge time to a particular activity or an action or the contractor will perform work.

The third red box represents an important portion of the process we are focusing on for this project, which requires the validation of hours and costs

for fee billing accuracy. This is performed by the appropriate office fee reviewers. Finally, after the fee validation process has been completed, the NRC is then able to generate and send out invoices to our various licensees. Next, please.

So the fee billing validation project began with an internal working group in mid-December 2017 and we've made significant progress. Right now, implementation is currently scheduled for fiscal year '19. So what is this project? It places emphasis on improving the current process to create greater standardization, in addition to clarifying the roles and responsibilities for fee billing reviewers. So why is this project important to you? As my colleague Meghan mentioned earlier, NRC is now utilizing a new data structure for tracking fee billable hours and costs, which includes a new data construct, which we refer to as the enterprise project identifier, which is EPID.

Due to these recent changes, the NRC wanted to further review current processes, which were -- excuse me -- immediately impacted by the new data structure and attempt to identify any areas in which process enhancements could be made. In addition, cost activity codes -- also known as CACs -- were standardized, which prompted the NRC to also examine the fee billing validation process to assess whether or not a streamlined approach would further improve the overall process, timing, and better meet the needs of our fee reviewers.

Next Slide, please. This project is an important component of NRC's commitment to improve efficiencies related to our fee billing validation program by making significant business process improvements. The intended outcome of this project is to improve current controls and accuracy as we are constantly striving to review existing processes with the goal of making positive enhancements that are beneficial to both our employees and our

stakeholders. It is important to us that applicants and licensees are confident in the accuracy of the invoices.

Next Slide, please. NRC is committed to improving our billing processes, as I said earlier. In SKI 16-0097 -- which focuses on fee improvements and fees transparency -- one of the ideas discussed was the implementation of an electronic billing system in order to allow for faster and automated delivery of invoices. The commission voted to move forward with implementing a new system and even asked staff to examine opportunities to accelerate the transition to an electronic billing system. As a result, we have the e-billing project.

We have conducted out - stakeholder outreach by talking with NEI as well as a sampling of licensees to gather initial requirements and are committed to remaining engaged and communicate with our stakeholders as the process continues. If the schedule permits, we're also considering piloting the system before implementation, which will offer - which will also offer some licensees an additional opportunity to provide greater feedback.

We are also in the process of developing a complete project plan and conducting market research. We have found that electronic billing is not widely practiced across the federal government and therefore there's no out of the box solution. We're also challenged to meet the needs of a variety type of licensees.

However, we are targeting implementation in a phased approach beginning in October 1, 2019. Victor Kochuba -- who's sitting over there -- is the e-billing project manager and is here to answer any questions you may have related to the topic. I also welcome and value your feedback on the fee billing standardization project and the presentation during the Q & A portion of the

meeting, or you can reach me directly after if you'd like. My contact information will also be on the slide. Thank you.

Margaret Gold: Thank you for holding your questions until this part of the - now that we're finished with the presentations. And with that, for people on the phone if you have a question I'm going to ask you to hit star one so you can be recognized. Again, star one. And people in the room, if you have questions I invite you to come to the podium or if you have - need assistance, please raise your hand and we will bring the microphone to you. So again, I would like to remind everyone in the room that this meeting is being recorded and when it's your turn to ask a question, please state and spell your last name. At this time, I invite people in the room to ask a question and after that we will go to the phone. I just want at this point, Operator, too, are you okay with hearing everybody?

Coordinator: Yes, we're hearing loud and clear.

Margaret Gold: Okay, great. So questions in the room. Do you mind coming up so we can hear you on the podium? Thank you. Please say and spell your last name, if that's okay. Thank you.

(John) Butler: Thank you. (John) Butler - B-U-T-L-E-R. I'm with NEI. I've got several questions, so I may be coming up after you've gone to the phones, but just for my understanding, the new EPIDs and CACs - is there a listing being developed so that - a master listing so that people can refer to them? For the EPIDs -- for example -- is the project codes that are embedded in the number - is there a standard list for those project codes?

Meghan Blair: There is a standard list of the sub-types. And we are looking into posting those on our external Web site.

(John) Butler: And the CACs, same sort of thing?

Meghan Blair: Sure, we can probably do that. Yes. Thanks.

Margaret Gold: (Unintelligible) another question if you...

(John) Butler: Too quick. On the CAC breakdown, I just want to understand - will that be specific enough to - for an inspection -- for example -- would that breakdown be different for the on-site inspection versus the preparation documentation of the inspection? That would be a different CAC number for that activity?

Meghan Blair: Yes, there are different CACs for prep and doc, for travel, and for the various inspection activities.

(John) Butler: Excellent, thank you.

Margaret Gold: One more.

(John) Butler: One more? Great. This is kind of a question I think you've already answered. If the EPID project code is unique to a particular activity, it would allow eventually a licensee to look at that activity across several different dockets to kind of compare the cost for one inspection for a plant versus another plant, right?

Meghan Blair: Yes, exactly. A lot of extra transparency and much easier tracking.

(John) Butler: Beautiful.

Margaret Gold: Okay, if it's okay, Operator, why don't we switch and see if we have any questions on the phone. And if we do, remember star dot one. And please state and spell your last name.

Coordinator: And I'm currently showing no questions or comments. Again, that's star one and record your name for a question or comment from the phones.

Margaret Gold: Is there anybody else in the room who has any other questions at this point?

(John) Butler: (John) Butler. Should I spell my name again?

Margaret Gold: Absolutely. Mr. Butler's going to spell his name again, please.

(John) Butler: The activity that we've been discussing - this is - I've already complimented you a number of times but I'll compliment you again. This is a great activity. For the changes in the invoicing that you began in January. Any thoughts about reaching out to stakeholders and getting some feedback from stakeholders after they've had a chance to kind of enjoy it for, say, six months and get their feedback?

Meghan Blair: Well, we were hoping to get some feedback today. But (Kelly Reiner) here -- who's sitting at the table -- she talks to licensees on a regular basis and does receive feedback. I don't know that we have anything more formal planned to get additional feedback.

Maureen Wylie: But we'll take that suggestion.

Margaret Gold: Thank you.

(John) Butler: I guess I'll move on to the e-billing pilot. Another great activity; I'm looking forward to what comes out of that. There have been some comments that have been provided to you -- to Victor -- on the wish list for e-billing. I'm wondering if it would be possible to as you evaluate those wishes for the e-billing project to evaluate if any of those can be implemented in an even shorter schedule with the current system, that you would consider doing that.

Margaret Gold: So we're very open to try to do as much as possible to make the billing process easier. I think in the end, though, it's going to require that we go through a more specific piloting process once we get a sense of what technology might work. The system that we have now is really not designed to do any sort of electronic invoicing activity. And in fact, we're still folding bills, you know, with - you can tell when it's the - you know, what's going on in CFO by whether or not there's roomful of people folding bills, getting them ready for mailing.

One of our big challenges is that something that might be quite simple for a Westinghouse or an Exelon may be incredibly challenging for one of our small entity firms. So we are also hoping that we'll receive further input from our non-reactor customers so that we can get a sense of how well - how best to serve them. The reality is that 100 reactors pays about 84 or 85% of our fees and then about 3,000 licensees pay the rest. So it is a - just it's a complex process, on its face.

(John) Butler: The pilot that was discussed for the e-billing system, is that - I'm trying to understand the 10-1-19 implementation date or phased implementation date. Is that start of the new e-billing system or the start of the pilot that might be considered?

Margaret Gold: Victor, if you'd like to say your name first (unintelligible).

Victor Kochuba: Victor Kochuba, the project manager of e-billing. (Unintelligible) cell phones here. Okay. Before I sit down, I think the question I'm understanding is that the pilot...

(John) Butler: Right.

Victor Kochuba: Where would it be implemented? And if it's time permitted and - versus a phased approach.

Margaret Gold: Operator, can you hear okay?

Coordinator: Yes, we can hear you.

Victor Kochuba: Okay, good. I just want to be clear, that's - as I was walking over I just wanted to make sure I'm on the same page as you, (John). Yes, the phased approach will be different than the pilot. The pilot would probably be a sampling and as we say, the - if it's time permitted during that schedule we will have to make sure we have the right people and certainly we'll contact you to see if we can get a sampling on that.

Maureen Wylie: But separate and distinct, it might require that we do thing in some phases, even after we've done a pilot. So using a fairly obvious example, maybe we would bring up reactor invoicing first. Because that's the easiest. Because those are typically large businesses that have the internal capability. But we might have a more phased approach for how we would handle materials licensees. That's what we mean by phased implementation. The pilot would take place before phased implementation would start.

(John) Butler: That answered my question (unintelligible). Thank you.

Margaret Gold: Let me pause for one second. Operator, any calls on the phone?

Coordinator: And I'm still showing no questions. Again for questions or comments from the phones its Star one and record your name. And I'll stand by for questions or comments.

Margaret Gold: Thank you.

(John) Butler: I guess I'll just have one more question. I know in the assistance we provided to Victor on getting the wish list, one of the common requests is to have a capability for transporting the data to an Excel file or something like that. With the current system, is that in any kind of electronic form -- like a PDF file -- that could be transported by the licensee or stakeholder into an Excel file? Or is it strictly paper?

Meghan Blair: So we do have the data in an Excel format. In fact, (Kelly) does have a handful of licensees to which she sends that invoice data in an Excel format today. I wouldn't say that, you know, we have enough time to send it out to every single licensee in the interim before e-billing is implemented. But, you know, it's something maybe we can talk about offline.

Maureen Wylie: So herein lies the problem. We typically use those Excel transmissions back and forth for licensees who are having a particular problem with their invoice. It takes a great deal of time for (Kelly) to actually produce them and she's it. So this is one of the really aggravating problems is -- from our perspective associated with our current process -- is that it actually it's impossible for me to sufficiently resource it so that it could be more flexible and useable. There's also the fact that (Kelly's) expertise is significant. So I couldn't just hire somebody off the street and say you're going to be the person who does

the data work. It's not as simple as it looks. So it's one of the things that's driving us from our side into electronic billing is that it's just too hard in our current system and processes. Fair?

(Kelly Reiner): Yes, I would say that's a fair statement.

(John) Butler: Thank you. One last question?

Margaret Gold: Sure.

(John) Butler: I know for a number of the activities -- some of the various divisions -- have identified estimates for those activities - or at least given a range of estimates. Will there at some point in the near future be a - kind of a correlation between the EPIDs - or the project codes and those estimates so that licensees can kind of do their own check of their tally?

Maureen Wylie: We're not quite ready to do that yet. As you're aware, we've just really introduced the concept in order to streamline the data construct that we have. Certainly that's an idea that I would like to pursue further, but right now -- today -- the change management associated with getting us to where we are right now means that we need to at least get a year of work under our belts with the EPID construct before we look to transport it elsewhere.

(John) Butler: Great. Add it to the wish list?

Maureen Wylie: Added to the wish list, (John).

(John) Butler: That's it. Thank you.

Margaret Gold: Thank you. Are there any other questions on the phone or it looks - or any other questions in the room?

Coordinator: We do have a question from the phones. Our question or comment comes from (Jim Morris). Your line is open.

(Jim Morris): Hi, this is (Jim Morris) from Pacific Gas Electric. Can everyone hear me okay?

Margaret Gold: Yes, we can hear you.

(Jim Morris): Okay, great. Hey, so first I am one of those - the small number of folks that (Kelly) provides the Excel information to and it's incredibly helpful. And I'd like to - as far as my thanks for that. And also I think for the effort of the standardization and the improvements in the fee invoice system. It looks - I'm a big fan so far from what I've seen. I think the EIPDs, etcetera, is really helpful. So my - I guess I have two small questions. One is with the rolling out of the e-billing process. Is there like a - like a high level milestone schedule that the NRC could be willing to share? And the second question is given that inspection procedures have, you know, estimates for how many hours given inspection is supposed to take, is there any future thought of at some time being able to make like - have like a real-time estimate of inspection hours given the history that will be built up with the - with this new invoice system?

Maureen Wylie: Well, thanks very much for your comment. We appreciate the feedback. Let me take your questions as they were asked. So we are not yet ready in terms of our project plan with milestones to have that released. I think I'm getting a briefing on them on the 23rd of March. So ideally once those milestones are finalized, we would make something public so that that would be available.

But I want to give the assistance team a chance to work through the process associated with that so that we have a set of milestones that we can commit to and then track against. We also are at the process of documenting our plans associated with the system overall. So in addition to the milestones, eventually that documentation would be available.

So in our desire to be transparent and to provide opportunities for licensees to continue to interact with us through the process, we will at least make the milestones available and it would be my desire to make all of the documentation available.

Second question. You know, it would be my fondest wish to be able to give you estimates that are based on the data. Again, it's about the same answer that I just gave to (John) Butler about his question. We've just implemented a new data construct. Typically when you do that or you implement a new system, it takes a year for the team just to get used to the data that the system - that the new construct provides to them. And then candidly, across systems about a year for people to then get really creative about how that information can be used. It's why we created a smart number, so that people could think about using it in different ways.

So today I'm not able to commit to a construct where we give you estimates that way. But as we continue to get more facile in the use of the new coding construct, I would hope we'd be able to do that going forward. So it's a great idea, but it was hard enough to get everybody to sign up to the new numbers. So in the interest of transparency, the first step is to know that you need a new construct and to implement one. The second step is to get comfortable in using it. The third step is to really become inspired by what the construct can offer and then innovate from that. So I would say we're still at step one.

(Jim Morris): Oh, yes. Well, thank you very much. Appreciate that. And, you know, I agree, my second question was more like future looking, so hopefully we'll get to the place where we can start using that data, you know, a couple years from now kind of thing.

Maureen Wylie: I'd love that, too. Thanks.

Margaret Gold: Thank you (unintelligible)...

Coordinator: And I'm currently showing no further questions or comments from the phones.

Margaret Gold: Any further questions in the room?

Maureen Wylie: Well, I'd like to thank you all, both those who participated via phone and webinar and those of you who participated here in the room for coming to our public meeting on e-billing and invoicing. We're really proud of the work that's been done by the team. So Meghan Blair, Jawanza Gibbs-Nicholson, (Kelly Reiner), Victor Kochuba, (Carl Fredricks), and Meg Gold, our facilitator. Great job. Thank you all very much. And thank you to the audience. We're done today.

Coordinator: That concludes today's conference call. Thank you for your participation. You may disconnect at this time.

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