



Consumers
Power
Company

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U.S. NRC
BILL FEE MGMT. BRANCH

RECEIVED

William O Miller, Chief
License Fee Management Branch
Office of Administration
US Nuclear Regulatory Commission
Washington, DC 20655

MIDLAND ENERGY CENTER PROJECT -
OPERATING LICENSE FEE ASSESSMENT
FILE 0485.11, 1300 SERIAL 32300

- REFERENCES: 1) Letter, J W Cook to W O Miller, Midland Energy Center Operating License Fee Assessment, Serial 32196, dated March 7, 1985
- 2) Letter, W O Miller to J W Cook, dated April 12, 1985

In Reference 1, Consumers Power requested that the due date on the bills be extended for at least 90 days. We had concluded that certain of the charges making up the \$3,077,400.00 for each Unit might be improperly billed and should be checked. Charges associated with the Order modifying the Construction Permit and work associated with the contested hearings (reviews, hearing preparation and attendance, contracts and inspections) would not be valid charges. Our review of the backup information provided by Reference 2 substantiates our concern that a large portion of the billing is attributed to the NRC activities associated with the Order modifying the Construction Permit and subsequent contested hearing.

Reference 1 also stated our legal position regarding the retroactive application of the new fee schedule, and provided the basis for that position. The letter concluded with a request, pursuant to 10 CFR 15.31(c), to schedule a conference or interview to discuss the considerations raised in the letter. We believe that Reference 1 fully complied with the Note on the billings that "the due date can be extended only if a request for review stating why the debt is incorrect in fact or in law is received by NRC before the Due Date. 10 CFR 15.31, 170.50."

For the foregoing reasons we again ask that the due date for fee bills be extended while we work with the NRC to resolve these matters.

Our review of the billing backup material has been hampered by the lack of specific information in some of the documentation previously provided. A

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listing of the initial comments from review of the billing backup material from Reference 2 is attached. Further reviews and additional information will likely raise additional questions as well as settle some of our current questions. We request that you schedule a conference with us to address these matters at your earliest convenience.

JWC/WRB/dp

James W. Cook

REVIEW OF BILLING INFORMATION

DO 184 and DO 185, Midland Units 1 and 2

I. Accounting Questions

- A. For Unit 1, Professional staff hours for NRR were invoiced for 46,855.8 regular manhours. Total hearing staffing hours under codes E07, R06, R07, R16, R17, E17, 100, 115, 125, R26, R27, R35, and E35 total 3,898 regular manhours, not 1,726. In addition, 2.5 hours for training, which is the first entry for 1975, and 20 hours for advanced concepts, E55 Page 20, should be deleted. These three items represent 2194.5 hours (\$85,585.50) credit.
- B. For Unit 2, NRR staff hours were invoiced for 50,211.6 regular manhours. Total hearing staff hours were 9,174.80, not 9,075.30. The difference, 99.5 hours (approx \$4,000), should be credited.
- C. For Unit 1, there appears to be a total variance of 31 hours in the Regional Office Billing as follows:

<u>Year</u>	<u>Invoiced</u>	<u>Documentation</u>
1974	1,012.70	1,009.20
1983	2,361.00	2,368.00
1984	<u>1,707.50</u>	<u>1,735.00</u>
	5,081.20	5,112.20

Which is correct?

- D. Contract/Consultant and Cost Data sheet for FIN B3077 says that "183, 488 was allotted equally" to five actions. It appears that Midland was billed the total 183 thousand dollars plus another one/fifth of the total. What is correct? Were we overcharged by the 183 thousand dollars?

II. Documentation Questions

- A. ACRS staff hours are not supported by any documentation. Total costs are \$41,895 and \$15,370 for Units 1 and 2 respectively.
- B. Contract costs are not supported by documentation such as copies of purchase order/contracts, material and/or time sheet support. Total cost for both units is \$2,170,963.39. In addition, some of the contract sheets had insufficient information to tell what task it represented, who the contract was with, or whether it in fact represents a Midland task. It is requested that for each of the Contractual/Consultant Cost Data forms (ie. each FIN No.) an actual contract providing the work scope be provided. FIN Nos B2354 and B2172 do not provide any data other than the branch and cost.

III. Billings which should be deleted in consideration of the Commission Order rule or contested hearing rule.

- A. The November 6, 1984 C J Holloway memos (two) provide summaries of IE-HQ and Regional staff hours and contractual service cost. The Regional offices have included nearly all hours, despite the concentrated resources spent by the NRC in support of resolution of the December 6, 1979 Order and the contested hearings. Two Region III individuals (Gallagher and Landsman) charged over 1800 hours. These charges should be deleted, along with any other charges for individuals supporting the hearings, all of which were contested.
- B. The only Contract/Consultant Cost attributed to a category other than "Safety" or "Environmental" was A2315, which went to "Contested Hearing". This billing should not be chargeable. From the limited information available, the following, at least, appear to support the activities stemming from the 2.204 soils ruling or contested hearing, and should be deleted:

B8035	\$ 98,000
B6826	242,500
B6878	166,300
B5004 and ?	7,500
A3714	17,612
A2315	<u>5,000</u>
	\$ 536,912

- C. It would appear the hours listed for the Headquarters staff would in many cases have been directly attributable to the activities associated with the soils 2.204 issue and should not be chargeable. Some of the effort expended in producing NUREG-0793 (SER) and most of the effort associated with Supplement 2 should not be chargeable.

IV. Billings questionable in terms of applicability to Midland.

- A. Region III individuals J R Creed, W A Hanson, M Corcoran, Z Cordero, M Ring, D Robinson, R Janke, W Key, and R Shultz charged over 1200 hours. These names are not ones which the current project people remember. Please confirm that the hours are correctly chargeable to Midland.
- B. The contracts to ANL (A 2001 and A-2121) for environmental review assistance (\$282,400) and audit of calculations of plant transients using RELAP 5 (671,100), totaling \$953,500, is higher than many of the other plant total NRR technical assistance contracts. Were these reviews Midland-specific and necessary only for Midland licensing or were they at least in part done for generic or B&W plant information so that their cost should not be totally carried by Midland?