

# **Official Transcript of Proceedings**

## **NUCLEAR REGULATORY COMMISSION**

Title: FY2021 Proposed Fee Rule

Docket Number: (n/a)

Location: teleconference

Date: Thursday, March 18, 2021

Work Order No.: NRC-1419

Pages 1-81

**NEAL R. GROSS AND CO., INC.**  
**Court Reporters and Transcribers**  
**1323 Rhode Island Avenue, N.W.**  
**Washington, D.C. 20005**  
**(202) 234-4433**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

+ + + + +

FY2021 PROPOSED FEE RULE

+ + + + +

PUBLIC MEETING

+ + + + +

THURSDAY,

MARCH 18, 2021

+ + + + +

The Commission met via Teleconference, at  
10:00 a.m. EDT, Jo Jacobs, facilitator, presiding.

SPEAKERS:

JO JACOBS, Senior Budget Analyst, License Fee Team,  
Facilitator

MEGHAN BLAIR, Labor Administration and Fee Billing  
Branch

BILLY BLANEY, License Fee Analyst

GREG BOWMAN, NRR, Division of Policy and Rulemaking

CHRISTIE GALSTER, Sr. Accountant, License Fee Team

CHERISH JOHNSON, Chief Financial Officer

AIDA RIVERA-VARONA, Deputy Director, Office of Nuclear  
Material Safety and Safeguards

ANTHONY ROSSI, Team Lead, License Fee Policy

JASON SHAY, Director, Division of Budget

1        NRC STAFF:  
2        MICHELLE ALBERT, OGC  
3        RUSSELL ALLWEIN, OCFO  
4        NADINE ARIDI, NMSS  
5        LYNN BATES, OCFO  
6        CINDY BLADEY, NMSS  
7        GREG BOWMAN, NRR  
8        TANYA CHAMPION, OCFO  
9        MICHAEL CLARK, OGC  
10       KIMBERLY CONWAY, NMSS  
11       JAMES COYLE, OCFO  
12       AMY CUBBAGE, NRO  
13       DAVID D'ABATE, OCFO  
14       KIM DARLING, OCFO  
15       EVAN DAVIDSON  
16       DAYNA DORITY  
17       DORIS DURAN-HERNANDEZ  
18       BEN FRICKS  
19       JAWANZA GIBBS-NICHOLSON, OCFO  
20       DUANE HARDESTY, NRR  
21       MARISA HERRERA, NMSS  
22       DAWN MATTHEWS KALATHIVEETIL, NRR  
23       SUSAN KENNEY, OCFO  
24       GRACE KIM, OGC  
25       VICTOR KOCHUBA, OCFO

1 HARRY KROMER, OCFO  
2 MIN LEE, OCFO  
3 STEVEN LYNCH, NRR  
4 MANDY MAUER, OCFO  
5 PHILLIP MCWITHEY  
6 FRED MILLER, NMSS  
7 JENNIFER OJEDA, OCFO  
8 KEVIN RAMSEY, NMSS  
9 THEAVY RICHMOND, OCFO  
10 LAUREN SAAH, NRR  
11 MARIA SCHOFER, OCFO  
12 NANDINI SHARMA, OCFO  
13 SHERRY TITHERINGTON, OCFO  
14 LINH TRAN, NRR  
15 BERNIE WHITE, NMSS  
16 JACOB ZIMMERMAN, NMSS  
17  
18  
19  
20  
21  
22  
23  
24  
25

1     ALSO PRESENT:

2     JANA BERGMAN, Curtiss-Wright

3     JOHN BUTLER, NEI

4     STEVEN DOLLEY, S&P Global Platts

5     ROGER FENNER

6     ERIC JEBSEN, Exelon

7     GREG NORRIS, Entergy

8     DARANI REDDICK, Exelon

9     ROBERT SANDERS, Honeywell MTW

10    JANET SCHLUETER, NEI

11    AMANDA SPALDING, WEC

12    KIRSTEN STOKES, PSEG Nuclear

13    TONY ZIMMERMAN, Duke Energy

14    JASON ZORN, Exelon

15

16

17

18

19

20

21

22

23

24

25

## P R O C E E D I N G S

10:00 a.m.

MS. JACOBS: Okay, everyone, it is 10:00 a.m. so we can go ahead and get started with our meeting this morning.

Good morning and welcome, my name is Jo Jacobs and I'm a Senior Budget Analyst in the License Fee Policy Team and the Office of Chief Financial Officer.

I want to welcome everyone attending this meeting and I will begin with a few logistics. This is a Category 2 public meeting with participation from NRC Staff and interested stakeholders.

The purpose of this meeting is to discuss the FY 2021 Proposed Fee Rule and related budgetary considerations associated with this proposed rule.

The FY 2021 Proposed Fee Rule was published in the Federal Register on February 22nd with the public comment period ending on March 24th. The agenda for today's meeting will soon be discussed by the NRC's Chief Financial officer, Cherish Johnson.

The public will have an opportunity to participate in the meeting and direct questions to the NRC Staff at the designated question-and-answer period of the meeting.

1 A summary of today's meeting will be  
2 prepared by NRC Staff and will be placed in ADAMS.  
3 Our goal was to have the public meeting summary  
4 completed within 30 days of this meeting.

5 The public can also provide us feedback  
6 regarding the conduct of the meeting through the NRC's  
7 public meeting notification system and if you need  
8 instruction on how to do this, please contact me via  
9 email provided in the meeting notice.

10 We are using Microsoft Teams to conduct  
11 this meeting and we hope that the use of Microsoft  
12 Teams will allow stakeholders to participate more  
13 freely during this meeting.

14 But this will also require us to ensure  
15 that we are muted when we are not speaking and to do  
16 our best to not speak over each other.

17 To help facilitate the question-and-answer  
18 portion of the meeting, I recommend that you utilize  
19 the raised-hand feature in Teams so we can more easily  
20 identify who has a question or a comment and call on  
21 the individual to ask their question.

22 You can also use the chat box to alert us  
23 that you have a question. Please do not use the chat  
24 box to address any technical questions. The chat is  
25 not part of the official meeting record and is

1 reserved mainly for handling virtual meeting  
2 logistical issues.

3 If you join the meeting using Microsoft  
4 Teams call-in number, you will not have access to  
5 these features, however, we will still have a chance  
6 to call on you during the question-and-answer session.

7 If you joined using the Microsoft Teams  
8 call-in number and you would like to ask a question,  
9 you can press star-6 to unmute your phone. After your  
10 comment has been discussed, your phone line will be  
11 muted again by me and Billy Blaney.

12 So, if you need to ask additional  
13 questions you will need to press star-6. Thanks in  
14 advance for your patience as we continue to address  
15 the remote working environment.

16 The presentation will be shown via  
17 Microsoft Teams meeting link and is shown on my  
18 desktop, however, you can also access the presentation  
19 slides in ADAMS ML21076A376.

20 The slides have also been posted to the  
21 meeting notice on the NRC's public website. And with  
22 that, I'm happy to turn the meeting over to Cherish  
23 Johnson, our Chief Financial Officer for her opening  
24 remarks.

25 Thank you so much.



1 MS. JOHNSON: Thank you, Jo. Good morning,  
2 I'm Cherish Johnson, the Chief Financial Officer of  
3 the Nuclear Regulatory Commission.

4 I'm thrilled to be here today as the NRC  
5 CFO to participate in this continued dialog with our  
6 NRC stakeholders as we discuss the Fiscal Year 2021  
7 Proposed Fee Rule.

8 First, I hope everyone is healthy and  
9 remains well through these unique circumstances  
10 surrounding the COVID-19 public health emergency.

11 I'd like to take the opportunity to  
12 appreciate my Staff's support in the development of  
13 the fee rule, the continued support of the various NRC  
14 offices, and to thank our stakeholders for your  
15 participation and your support in our first virtual  
16 fee rule public meeting.

17 The NRC team is excited about presenting  
18 this Fiscal Year 2021 Proposed Fee Rule to our  
19 stakeholders and we hope to continue to enhance our  
20 dialog as we have over time through meetings such as  
21 this.

22 I'm happy to report that we did publish  
23 the Fiscal Year 2021 Proposed Fee Rule on February  
24 22nd. This was less than a month behind our  
25 originally planned publication date as we wanted to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 make sure that the fee rule was updated to reflect the  
2 NRC receiving our Congressional appropriation in  
3 Fiscal Year 2021.

4 Next slide, please. There we go.

5 As we've done in previous years, we'll  
6 start with a review of key highlights of the Fiscal  
7 Year 2021 budget and the Proposed Fee Rule, followed  
8 by the proposed policy changes, a demonstration of e-  
9 billing we thought would be of interest to our  
10 audience, and then a forward look at the annual fee  
11 policy development for Non-Light Water Reactors.

12 We'll then move into the  
13 question-and-answer segment of today's meeting as Jo  
14 has described. I'd now like to introduce my fellow  
15 panelists, Jason Shay, the Budget Director.

16 He will be discussing how our budget  
17 reflects our activities and the relationship between  
18 the budget and the fees. Christie Galster, the Senior  
19 Accountant on the License Fee Policy Team, will  
20 provide a license fee policy overview of the Fiscal  
21 Year 2021 Proposed Fee Rule.

22 Greg Bowman, Deputy Director in the  
23 Division of risk assessment in the Office of Nuclear  
24 Reactor Regulation, NRR, will discuss the operating  
25 and new reactors business line.

1           Ida Rivera Verona, Acting Deputy Director  
2           in the Division of Decommissioning Uranium Recovery  
3           and Waste Programs in the Office of Nuclear Materials  
4           Safety and Safeguards, or NMSS, will be discussing the  
5           decommissioning and low-level waste business line.

6           Meghan Blair, the Branch Chief of the  
7           Labor Administration and Fee Billing Branch, and Billy  
8           Blaney, a Budget Analyst in the Licensee Fee Policy  
9           Team, will discuss the two policy changes that have  
10          been included in our Fiscal Year 2021 Proposed Fee  
11          Rule.

12          And last but not least, Anthony Rossi, our  
13          License Fee Policy Team Lead will provide a brief  
14          overview of the future regarding the development of a  
15          future annual fee policy for Non-Light Water Reactors,  
16          specifically for micro reactors. And then we'll move  
17          into the question-and-answer period.

18          Next slide, please. As we get started, I  
19          wanted to briefly emphasize the type of comments that  
20          would be considered in scope for the fee rule to  
21          ensure that the responses to your inquiries are  
22          answered in a timely matter.

23          Previously, we've received comments that  
24          are covered out of scope for the fee rule, however,  
25          for the last few years we've noticed a large decrease

1 in the number of those out-of-scope comments.

2 Hopefully, this is due to our increased  
3 outreach, transparency, and our stakeholders' overall  
4 knowledge of the fee rule. A few examples of in-scope  
5 comments are focusing on our methodology for  
6 calculating the fees, changes to the fee regulations,  
7 or the fee schedule.

8 A few examples of what we consider to be  
9 out-of-scope comments are Agency efficiencies to  
10 achieve our mission goals, streamlining the regulatory  
11 practice, reviewing the changing technical guidance to  
12 licensees, risk-informed performance-based licensing  
13 and regulatory process, public participation in the  
14 budget formulation process.

15 Even though this meeting on our fees is  
16 not the proper venue for those out-of-scope questions,  
17 we really do want to hear from you so we encourage you  
18 to use the appropriate venue so we can address any  
19 questions or concerns directly.

20 In closing, I want to emphasize that the  
21 NRC is continually evaluating our fee-setting process  
22 to determine improvements to increased transparency,  
23 equity, and timeliness.

24 As always, we welcome your questions and  
25 formal comments and look forward to a continued dialog

1 with you, our stakeholders.

2 Once again, thank you for your  
3 participation and I will now turn the meeting over to  
4 our Budget Director, Jason Shay, who will provide a  
5 budget overview of the key considerations that relate  
6 to the Fiscal Year 2021 Proposed Fee Rule.

7 Next slide, please.

8 MR. SHAY: So, thank you, Cherish, if you  
9 can go to the next slide, please, Jo? As Cherish  
10 mentioned, I'm going to provide an overview of the  
11 2020 enacted budget.

12 The Consolidated Appropriations Act of  
13 2021 appropriated approximately \$844.4 million to the  
14 NRC, which is a decrease of \$14.4 million from the FY  
15 2020 enacted budget.

16 The Act also authorizes the use of \$35  
17 million of carryover funds, which is shown at the  
18 bottom of the table that you see on your screen right  
19 now. This is a decrease of \$5 million from the  
20 previous years authorized carrier amount.

21 I do want to pause here really quickly to  
22 define what the term carryover means. The term  
23 carryover can be used to describe funds that were  
24 appropriated but not obligated in the prior Fiscal  
25 Year, or funds that were de-obligated because the

1 funds were no longer needed in subsequent Fiscal  
2 Years.

3 And I'm going to provide you some examples  
4 here shortly. So, let's say there's a change in  
5 workload between the time that we formulate and the  
6 time that we're expected to execute that funding.

7 These changes, while normal, may cause  
8 delays in utilizing budgeted resources and thus, maybe  
9 carried over and used in subsequent years, resulting  
10 additional carryover for the Agency.

11 In addition, carryover can also increase  
12 of contract ends and work is completed but resources  
13 still remain on that contract. So, these resources  
14 can be deobligated, which results in additional  
15 carryover for our Agency.

16 And lastly, carryover can also increase  
17 for the Agency if there are delays in hiring. If the  
18 time between when an employee leaves and when we back-  
19 fill that employee creates unused S&Bs, or salaries  
20 and benefits, which may result in additional carryover  
21 if we don't use the S&Bs.

22 Next, I kind of want to give you some  
23 insights about the authorized carryover that has been  
24 previously authorized in previous years.

25 In FY 2020 the authorized carryover was

1 \$40 million for the Agency. In FY 2019 it was \$20  
2 million. In FY 2018 it was \$15 million. And in FY  
3 2017 it was \$23 million.

4 Now, while Congressional direction to use  
5 carryover has been a trend, I do want to highlight  
6 that in FY 2021 the NRC was directed to use \$35  
7 million in prior year unobligated carryover funds,  
8 including \$16 million to fund the University Nuclear  
9 Leadership Program, which is formally the Integrated  
10 University Program, or IUP, and \$19 million to offset  
11 the Agency's FY 2021 budget requests.

12 We dispersed that \$19 million into three  
13 areas. \$17.8 million went to the Nuclear Reactor  
14 Safety Program, \$1 million went to the Nuclear  
15 Materials and Waste Safety Program, and \$200,000 went  
16 to the Decommissioning and Low-level Waste Program.

17 If you can turn to Slide 8 now please?  
18 So, this chart is really our most widely used chart  
19 and it's included in most, if not all, of our external  
20 presentations.

21 As you can see in the chart, the Agency's  
22 budget has trended downwards over the past eight  
23 years. We compare our budgets to the 2014 budget  
24 because that's the pinnacle of our budget  
25 historically.

1           The     total     budget     decreased     by  
2     approximately 20 percent or \$211.5 million since FY  
3     2014 and similarly, the Agency also reduced FTEs by  
4     approximately 25 percent, or 932 FTEs during that same  
5     period.

6           That concludes my presentation on the  
7     overview of the 2021 budget. I'll now turn the  
8     presentation over to Christine Galster, who will go  
9     over the FY 2021 fee overview.

10          MS. GALSTER: Thank you, Jason. Good  
11     morning, today I'll be presenting, like Jason said,  
12     the overview of the Fiscal Year 2021 Proposed Fee  
13     Rule. Next slide.

14          The statutory and regulatory framework  
15     authorizing NRC's fee policy includes the Independent  
16     Office's Appropriation Act, or IOAA, which requires  
17     the NRC to collect fees for service, which are  
18     established under 10 C.F.R. Part 170.

19          E-services provide a specific purpose and  
20     have identifiable recipients who are billed as hours  
21     expended times the NRC hourly rate, and offer services  
22     such as license reviews and inspections.

23          The other law affecting NRCP collections  
24     during 1990 through 2020 was the Omnibus Budget  
25     Reconciliation Act of 1990, or OBRA 90, requiring NRC



1 to collect approximately 90 percent for the majority  
2 of those years of its appropriation by September 30th.

3 As well as recover through 10 C.F.R. Part  
4 171 the budget authority not recovered through fees  
5 for service is under Part 170, such as research and  
6 rulemaking activities.

7 OBRA 90 also directs the NRC to allot ten  
8 percent of its budget for certain activities that do  
9 not directly benefit NRC licensees, referred to as fee  
10 relief.

11 Through the establishment of NEIMA, OBRA  
12 90 has been superseded in 2021. The Nuclear Energy  
13 Innovation and Modernization Act of 2018, or NEIMA,  
14 replaced OBRA 90 this year and in subsequent Fiscal  
15 Years.

16 NEIMA sets a ceiling on the annual fee for  
17 power reactors at the 2015 rate as adjusted with  
18 yearly inflation. The collection percentage is  
19 revised to 100 percent of the budget authority to the  
20 maximum extent practical.

21 And under NEIMA, the excluded activities  
22 remain the same as OBRA 90 as well as the fee relief  
23 categories that were utilized in the 2021 final fee  
24 rule.

25 The major change in the fee rule

1 methodology was the elimination of the fee relief  
2 adjustment. NEIMA removes a fixed amount of  
3 designated for the fee relief activities so any of the  
4 adjustments or the surcharges or credits as part of  
5 the annual fees will no longer exist.

6 And lastly, the annual appropriation  
7 provides the budget authority and fee recovery amounts  
8 as well as authorizes the use of prior carryover, of  
9 which NRC is authorized to use, like Jason mentioned,  
10 \$35 million in carryover funding this year.

11 Next slide. As stated in the proposed  
12 2021 fee rule, the budgetary authority is based on the  
13 21 appropriations for the salaries and expense and  
14 Inspector General appropriation in the amount of  
15 \$844.4 million, a decline of \$11.2 million from the  
16 prior year.

17 This slide is going to illustrate the  
18 budget and fee recovery amount set forth in the  
19 Consolidated Appropriations Act of 2021.

20 As you can see from that top purple  
21 circle, the NRC's budgetary authority minus the  
22 excluded activities of \$123 million calculates the  
23 fee-based budget of the \$721.4 million.

24 The recovery rate is now again 100  
25 percent, resulting in a required recovery amount of

1 the same of the fee-based budget.

2 The Part 171 billing adjustment of the  
3 \$12.6 million, it relates to the COVID-19 referral of  
4 collections to 2021, which is reducing the current  
5 year amount of fees to recover.

6 The second circle displays the adjusted at  
7 the moment, the \$708.8 million that we must recover  
8 through Part 170 and 170 fees. Right below that are  
9 two subsets of budgetary authority of the excluded  
10 activities.

11 First, the original fee relief resources  
12 authorized by the Commission and the second is a set  
13 of statutory activities, specifically identified  
14 within the NEIMA regulation.

15 And you'll see a detail of this in the Fee  
16 Rule Table 1 as well as the work papers. We'll go  
17 into specifics detailing the activities.

18 Next slide, please. An important step in  
19 estimating our Part 170 fees is, first, we have to  
20 develop the hourly rate and understand the components  
21 that are involved.

22 In developing the hourly rates budget, the  
23 components include the mission-direct salaries and  
24 benefits, mission-indirect resources which support the  
25 Agency's core activities such as supervisory and

1 administrative assistant support.

2 The third component is the Agency support,  
3 which consists of the corporate support business line  
4 along with the Inspector General funding. These three  
5 components will sum to \$732.2 million and that is the  
6 budgetary resources that are included in the Part 170  
7 rate.

8 The next step is multiplying the mission-  
9 direct FTEs of 1684 and mission-direct FTE annual  
10 productive hours of 1510. From that, we divide by the  
11 budgetary resources of the \$732.2 million.

12 This calculates the Part 170 hourly rate  
13 of \$288. This is an increase of \$9 or 3.2 percent  
14 from the previous year.

15 The hourly rate increase is driven by the  
16 rise in the salaries and benefits to support federal  
17 pay raises, the decline of 17 mission-direct FTEs from  
18 the previous year, as well as reduced prior year  
19 carryover funding compared to 2020.

20 As you can see, the FTE rate at the bottom  
21 represents the full cost of an FTE.

22 The amount of is calculated by utilizing  
23 the budgetary resources of that \$732.2 million from  
24 above divided by the mission-direct FTEs, the 1684,  
25 giving us a rate of a full and constant FTE of

1 434,811.

2 Next slide. So, before we start going  
3 into the calculations for the annual fees, I believe  
4 it's necessary to understand the formulation of the  
5 fee-based budget compared to the CBJ requested budget,  
6 beginning with the FY21 Congressional budget  
7 justification business lines.

8 The Agency's program offices analyze in  
9 detail those resources and allocate them out to the  
10 various fee classes or fee relief categories.

11 The chart that you see here illustrates  
12 where the majority of each business line budget is  
13 allocated by a fee class. There are six notable  
14 differences between the business line budgets and the  
15 fee class budgets.

16 So, those consist of the budgetary  
17 resources that are excluded from fee calculations,  
18 WEIR, Homeland Security, this year, fee relief, just  
19 to give a few examples, your mission-indirect program  
20 support resources, which go directly into calculating  
21 your Part 170 hourly rate.

22 Mission business line resources allocated  
23 to other fee classes or fee relief categories and  
24 increases into the business line from other business  
25 lines. The utilization of a fully costed FTE rate and

1 as well as the appropriation revision such as  
2 utilizing carryover.

3 Next slide. These pie charts present the  
4 significance of reconciling between an appropriated  
5 budget versus the allocation of the budget by fee  
6 class.

7 As you can see on the left-hand side, the  
8 pie chart has business line budgets totaling \$844.4  
9 million, the total of the two appropriations.

10 The one on the right is our fee class  
11 budget, the \$721.4 million. So the difference between  
12 the two is all those excluded activities, which  
13 totaled that \$123 million.

14 Next slide. So, here we'd like to  
15 increase our transparency, improving our fee rule work  
16 papers, and beginning last year, we included  
17 reconciliations from the CBJ business line budgets to  
18 the fee rule class budgets.

19 And the next three slides will illustrate  
20 a sample of the reconciliation format located with  
21 NR2021 fee rule work papers.

22 This illustration combines the operating  
23 and the new reactor business line budgets, categorized  
24 by product line for the contract funding as well as  
25 the FTEs utilizing the salaries and benefit rate.

1           And due to unknown timing of our  
2           appropriation, the license fee policy team will always  
3           begin in the Proposed Fee Rule calculations with the  
4           Congressional budget justification, which for 2021,  
5           that was published in February of 2020.

6           So, what you see in the CBJ for those two  
7           business line budgets for the operating and the new  
8           reactors, you have \$95.8 million for contract dollars,  
9           you have 1708 FTEs. So, a grand total that you'll see  
10          in the CBJ budget for the reactors is \$435.1 million.

11          Next slide. So, from the basis of the CBJ  
12          budget for the operating and the new reactor business  
13          lines, we take into account those six reconciling  
14          items and I put them on the right-hand side of this  
15          slide as well when performing the reconciliation.

16          So, you've got the deductions up top so  
17          you've got the CBJ budget that is excluded from this  
18          particular fee class for the power reactors. And then  
19          you have increases coming in from other business lines  
20          and that's by contract dollars and FTE.

21          As you can see here, the reactor business  
22          line budget posts the fee rule allocations total \$59.5  
23          million in contracts and 1270.3 in FTEs.

24          The final adjustment is then converting  
25          those FTEs by the fully costed FTE rate, resulting in

1 the FTE cost of \$553.2 million and then a total for  
2 the power reactor fee class budget is the \$611.8  
3 million.

4 Next slide? So, presented on this slide  
5 is the reconciliation summary comparing those reactor  
6 business line budgets to the adjusted fee class budget  
7 for the power reactors.

8 And the fee class budget here is the  
9 initial step in what we do, our first step in  
10 calculating the annual fees. Next slide, please?

11 The reconciled business line budget to the  
12 fee class budget we just saw was \$611.8 million. This  
13 year's budgetary resources allocated to the power  
14 reactors is 2 percent or \$12.1 million less than it  
15 was in 2020.

16 Factors contributing to the decline  
17 include a completed lessons learned related to  
18 Fukushima, FTE reductions due to the closure of Duane  
19 Arnold in October, and the completed NuScale design  
20 certification review as well as the construction  
21 activities for Vogtle Unit 3.

22 And if you compare this to six years ago,  
23 we had 100 operating reactors, the budgetary resources  
24 have been reduced as a total of \$308.6 million or 18.5  
25 percent due to a reduction of our 7 reactors since



1 2016.

2 So, next the Part 170 estimated billings  
3 process, which includes the four quarters of actual  
4 billings from the prior year for power reactors, with  
5 updates for current work utilizing the hourly rate.  
6 Current projected work I should say.

7 These estimated billings total \$157  
8 million this year, which has declined by \$29.7 million  
9 or 16 percent from the previous year. The decrease is  
10 primarily due to the reductions for licensing actions  
11 and inspections caused by the shutdown of Duane Arnold  
12 at Indian Point Unit 3.

13 The completions for NuScale and Vogtle 3  
14 in addition to the impact of the continued travel  
15 restrictions and limited onsite presence involving  
16 inspection activities due to COVID-19.

17 Adjustments for the power reactors of 8  
18 million including one-time-only credit of \$2.7 million  
19 due to the collections of Indian Point Unit 3 before  
20 terminating at the end of this month.

21 The remaining annual fee recovery amount  
22 for this fee class is \$446.8 million. This is an  
23 increase of \$7.8 million or 1.8 percent from last  
24 year. The total is then divided by the 93 operating  
25 reactors resulting in an annual fee per reactor of

1       \$4,804,000.

2               Next slide, please. This year's budgetary  
3 resources allocated to our spent fuel storage and  
4 reactors and decommissioning fee class is 11 percent  
5 or \$4.3 million higher than in 2020.

6               This totals the \$42.2 million. Factors  
7 contributing to the rise include the support of the  
8 reactors transitioning into decommissioning program  
9 and waste research associated with the accident  
10 torrent fuel and enrichment extension fuels.

11              Next is the Part 170 estimated billings  
12 totaling the \$12.4 million this year. And this is  
13 declining by 22 percent or \$3.5 million from prior  
14 year.

15              The decrease is primarily due to  
16 reductions of Staff hours pertaining to the renewal  
17 and amendment reviews, inspections pertaining to  
18 ISFSIs, the independent spent fuel storage  
19 installation, in addition to the near completion of  
20 the interim storage partners consolidated interim  
21 storage facility application.

22              Within the reactor decommissioning  
23 program, decrease in Staff hours are as a result of  
24 the near completion of the licensed termination for  
25 Lacrosse boiling water reactor, which has been in the

1 decommissioning status since 1987.

2 And the completion of licensing actions,  
3 portion site release requests, and a decrease in  
4 confirmatory survey work at multiple sites.

5 The remaining annual fee recovery amount  
6 for the fee class is \$30.1 million. This is an  
7 increase of \$7.8 million or 1.3 percent from last  
8 year. We then divide that by the 122 licensees  
9 resulting in an annual fee of 4246,000.

10 Next slide? Included in the fee rule work  
11 papers in this chart illustrating the utilization of  
12 carryover funding in the Fiscal Year 2020 and 2021 by  
13 budget business line and the subsequent allocations  
14 for the development of the fee rule.

15 You can notice for instance in 2021 the  
16 overall carryover is \$21 million, discussed earlier by  
17 Jason. And it was \$20 million less than the previous  
18 year of carryover funding.

19 And this is due to the appropriation  
20 requiring \$16 million specifically earmarked for the  
21 university nuclear leadership program, formally known  
22 as IUP, resulting in our 2021 \$19 million that we  
23 could utilize in prior year obligated funding.

24 This reduces this year's overall annual  
25 appropriation. And as you can see in the reactor

1 business lines, they had a decline of \$3.1 million in  
2 carryover funding from the previous year, however,  
3 reactors did receive 94 percent of that \$19 million  
4 available carryover funding this year.

5 Another significant variance of prior  
6 carryover is the reduction within the corporate  
7 support business line by \$13.2 million. This impacted  
8 Agency costs that are associated with the rise of the  
9 Part 170 hourly rate.

10 And that was mentioned earlier regarding  
11 the hourly rate. This concludes the proposed Fiscal  
12 Year 2021 fees overview presentation and now I'd like  
13 to turn it over to Greg Bowman for a discussion on  
14 operating and new reactor budgets.

15 MR. BOWMAN: Thanks, Christie, good  
16 morning, everyone. My name is Greg Bowman, I'm the  
17 Deputy Director of the Division of Risk Assessment at  
18 NRR.

19 I'll be providing an overview of the  
20 budget for the NRC's nuclear reactor safety program  
21 and that's comprised of both the operating reactors  
22 and the new reactors business lines.

23 The program encompasses licensing and  
24 oversight of the civilian nuclear power reactors as  
25 well as non-power production utilization facilities,

1 our research and test reactors, for example.

2 The goal of the program is to ensure those  
3 activities are completed in a manner that protects  
4 public health and safety. It also provides reasonable  
5 assurance of the security of facilities and protection  
6 against radiological sabotage.

7 The operating reactors and new reactors  
8 business line can be split into mission-direct,  
9 mission-indirect -- sorry, if you can go back to the  
10 previous slide, Jo? Thank you.

11 Mission-direct research accounts for about  
12 75 percent of the enacted budget of 1755 FTE in FY  
13 2021, mission-indirect resources account for  
14 approximately 25 percent of the enacted budget, and  
15 that supports supervisors, administrative assistants,  
16 program analysts, and travel needs.

17 So, Jo, if you could go to the next slide,  
18 please? Thank you. Licensing and oversight are the  
19 most significant mission-direct product lines.  
20 Examples of some of the activities performed within  
21 those product lines are provided on this slide.

22 The NRC ensures safety and security of  
23 operating power reactors and non-power production and  
24 utilization facilities within our established  
25 regulatory framework.

1           We license reactors to operate and we  
2           ensure that new and existing reactor designs meet  
3           regulatory requirements.     We also oversee the  
4           continued safe operation of those reactors through our  
5           inspection program.

6           In the operating reactor business line, we  
7           continue to see interest in programs that provide  
8           increased operational flexibility as well as upgrades,  
9           like those associated with digital instrumentation and  
10          control systems.

11          Requests for subsequent license renewals,  
12          which represents an increase in the life of a plant  
13          from 60 to 80 years continues to increase. And we've  
14          invested significant resources in ensuring that can be  
15          done safely.

16          Oversight activities are the largest  
17          portion of our business line and that includes the on-  
18          site resident inspectors at each power reactor, as  
19          well as the safety and security inspections conducted  
20          by our four regional offices.

21          In the new reactors business line, work on  
22          the NuScale design certification was recently  
23          completed and we continue to review license amendment  
24          requests for Vogtle Units 3 and 4.

25          Construction inspection at Vogtle 3 and 4

1 is led by our Region 2 Office and the NRC's Office of  
2 Nuclear Reactor Regulation, my office, has a small  
3 team of licensing ITAAC and construction experts to  
4 ensure the NRC is able to make the findings necessary  
5 to support the transition from construction to  
6 operation.

7 We also anticipate additional workload is  
8 applications to license advanced reactors and small  
9 module reactors are submitted. The review of the Oklo  
10 Combined Operating License is ongoing.

11 We're also conducting pre-application  
12 meetings with multiple advanced reactor developers and  
13 we're reviewing topical reports and white papers  
14 associated with advanced reactor designs.

15 Next slide, please, Jo. To develop the  
16 budgets for the operating reactors and new reactors  
17 business lines, we first review the current  
18 environment and we perform workload forecasting.

19 As part of that, we look for significant  
20 drivers that could impact our future workload. This  
21 includes technical, regulatory, and legislative  
22 developments that have the potential to generate  
23 additional work-order-reduced work.

24 That could include a rulemaking or  
25 guidance change that we expect to drive new submittals

1 for licensees or known plant closures that will reduce  
2 the overall size of our program.

3 We then look at historical data and trends  
4 to measure how our execution in previous years winds  
5 up with the budget assumptions at the time. We use  
6 that data to inform the future budget and identify  
7 areas where the assumptions we previously used may not  
8 hold up.

9 The historical data also allows us to  
10 employ some trending for areas where workload in a  
11 given year can be highly variable in terms of quantity  
12 and complexity.

13 We also rely heavily on communications  
14 from our stakeholders to identify plant submittals.  
15 We consider letters of intent provided by licensees to  
16 the NRC, we collect information from our Project  
17 Managers, and we consider responses to our periodic  
18 regulatory issue summaries on that topic.

19 In order to budget for large licensing  
20 projects, we try to balance the anticipated resource  
21 needs against the relative certainty that an  
22 application will be submitted on schedule.

23 We do recognize that plans within the  
24 industry our subject to change and can be influenced  
25 by a lot of different factors but this is an area,



1 getting reliable information from the industry, where  
2 we can ensure better certainty to help us be more  
3 accurate in our budgeting in the future.

4 Once we have identified the workload  
5 drivers we set about estimating the level of effort in  
6 each area of responsibility, we develop an assign  
7 resources for major projects and then allocate those  
8 resources across the NRC offices to align with the  
9 type of work being performed.

10 Next slide, please, Jo? One point I  
11 wanted to make clear is we developed our budget and  
12 the Part 170 fee estimates on different timelines.  
13 The operating reactors and new reactors budgets, just  
14 like our other business line budgets, our prepared two  
15 years in advance.

16 This budget includes resources to be  
17 recovered through the assessment of Part 170 fees in  
18 addition to resources for other mission-direct and  
19 mission-indirect programs.

20 The budget reflects anticipated changes in  
21 the Part 170 workload such as permanent plant  
22 closures. However, it's important to note there is  
23 not a directly proportionate relationship between the  
24 Part 170 fee estimates and the budget.

25 That's because unlike the budget, the Part

1 170 fee estimates are prepared at the beginning of a  
2 given Fiscal Year. Fact of life changes in the  
3 intervening time will drive the Part 170 fee estimates  
4 lower or higher than what was anticipated in the  
5 budget.

6 Changes such as a license renewal  
7 application being submitted earlier, a delayed  
8 application for a design certification, an early  
9 reactor closure, or a cancelled application for an  
10 combined operating license will impact the Part 170  
11 fee estimates.

12 And in turn, that will impact the Part 170  
13 annual fee.

14 Next slide, please, Jo. The FY 2021  
15 operating reactors budget includes reductions for  
16 plant closures, and reductions associated with the  
17 completion of Fukushima Lessons Learned initiatives.

18 These reductions were partially offset by  
19 an increase in license renewal and subsequent license  
20 renewal applications.

21 In addition to changes anticipated in the  
22 budget, the FY 2021 Part 170 fee estimates were  
23 reduced due to the impacts of COVID-19 and related  
24 travel restrictions on our operating reactor oversight  
25 program.

1                   Next slide, Jo? For new reactors, the FY  
2                   2021 budget was reduced due to the completion of the  
3                   NuScale design certification activities and delay of  
4                   the NuScale SDA application.

5                   Licensing and construction inspection  
6                   activities at the new Vogtle Units were also reduced  
7                   as Unit 3 nears the completion of construction. These  
8                   reductions were partially offset by an increase or  
9                   review of combined operating license applications for  
10                  Oklo.

11                  In addition to the changes anticipated in  
12                  the budget, the 2021 Part 170 fee estimates declined  
13                  due to delays in the submittal and review of certain  
14                  licensing applications.

15                  So, that concludes my presentation, I  
16                  appreciate your time. I'll now turn things over to  
17                  Aida to cover the budget for decommissioning of low-  
18                  level waste.

19                  MS. RIVERA-VARONA: Thank you, Greg. Good  
20                  morning, my name is Aida Rivera, I'm an Acting Deputy  
21                  Director in the Division of Decommissioning for  
22                  Uranium Recovery and Waste Programs in the Office of  
23                  Nuclear Materials Safety and Safeguards.

24                  Today I'm going to provide you information  
25                  on the activities that drive the budgetary resources

1 needed to implement the NRC's strategic goals,  
2 objectives for the decommissioning and low-level waste  
3 business line.

4 Next slide. The decommissioning of  
5 low-level waste business line provides licensing and  
6 oversight for the decommissioning of complex material  
7 facilities, fuel facilities, uranium recovery  
8 facilities, power reactors, and research and test  
9 reactors with the ultimate goal to terminate the  
10 license.

11 Additionally, the decommissioning of  
12 low-level waste business line provides licensing and  
13 oversight for uranium recovery facilities that are  
14 licensed to operate are the national low-level waste  
15 program and the military and non-military radium  
16 programs.

17 Some of the major activities that  
18 decommissioning of low-level waste business line are  
19 conducting this year are the following. We are  
20 conducting licensing reviews and the decommissioning  
21 activities for 25 power reactors, with 4 of them  
22 nearly licensing termination.

23 We are also supporting the decommissioning  
24 of four research reactors. We continue to support the  
25 licensing and oversight of 11 complex material sites

1       undergoing decommissioning at depleted uranium sites.

2               Support to the licensing and the oversight  
3       of five private uranium meal sites undergoing  
4       decommissioning and we are also doing 36  
5       decommissioning uranium meal disposal and processing  
6       facilities that are undergoing long-term care,  
7       surveillance, and maintenance by DOE.

8               We're supporting the national low-level  
9       waste program, including the development of guidance  
10       providing support to the impact evaluations in the  
11       low-level waste area and responding to unique  
12       inquiries from the agreement states.

13              We also provide oversight of the  
14       activities related to the WEIR program, including  
15       monitoring activities at the DOE seven and reverse  
16       site and the Idaho National Laboratory.

17              We also have support oversight of the  
18       military and non-military radium programs.

19              As described in the Agency reform plan,  
20       the rulemaking center of expertise will coordinate the  
21       rulemaking activities related to the decommissioning  
22       of low-level waste business line, including rule  
23       development, associated guidance development, and  
24       environmental reviews.

25              Finally, we plan to conduct research

1 activities 2 support the application of new  
2 technologies at complex sites and also provide  
3 analytical tools used in the decommissioning reviews.

4 Next slide, please. To support our budget  
5 development as similar to what Greg provided before,  
6 we begin with the workload forecasting.

7 We maintain continuous communications with  
8 our licensees and we use letters of intent that we  
9 might receive for upcoming license applications.

10 In developing our budget, we estimate the  
11 necessary resources needed to complete licensing  
12 activities such as safety and environmental reviews as  
13 well as oversight through inspection activities based  
14 on where the licensing and decommissioning process of  
15 each of those facilities will stand.

16 The cost of completing our licensing  
17 reviews and oversight activities vary depending on the  
18 level of complexity that might be before us, whether  
19 it is for a power reactor in active decommissioning or  
20 safe storage.

21 Each one requires a different level of  
22 effort and resources. We also estimate our resources  
23 based on historical information such as reviewing the  
24 level of resources associated with similar past  
25 efforts and reviewing historical resource utilization.

1 All this information functions as a  
2 benchmark during our budget development. In addition,  
3 we budget for hearings with consideration of the  
4 number of hearings that we may get based on the  
5 licensing actions we expect.

6 We also try to gauge those resources based  
7 on the level of public interest in that particular  
8 project. The estimates resources associated with  
9 those hearings are also budgeted based on historical  
10 figures and costs to support hearings in the past.

11 Next slide, please. All right, so I'm  
12 going to talk a little bit about our workload  
13 adjustment in Fiscal Year 2021, primarily driven by  
14 work on the reactor decommissioning area.

15 This workload adjustment fall within the  
16 spent fuel storage reactor decommissioning feed class,  
17 which also includes other adjustment from the spent  
18 fuel storage area.

19 Today, I will be discussing only the  
20 workload for the reactor decommissioning portion of  
21 this feed class and it falls within the  
22 decommissioning of low-level waste business line.

23 Some of the decreases in the  
24 decommissioning of low-level waste workload in Fiscal  
25 Year 2021 would be the completion of the licensing

1 actions and partial site release requests and  
2 decreasing the confirmatory surveys work at multiple  
3 sites near completion.

4 We have four reactors in this group that  
5 will be nearly completing activities. The reduction  
6 in contract support due to a decrease in confirmatory  
7 survey and work is expected to happen. So, that's  
8 also included in the decrease for those sites.

9 But then there is also an increase based  
10 on Indian Point Unit 3 shutting down this spring. We  
11 will see now an increase in the number of overall  
12 reactors in the decommissioning in our current  
13 inventory.

14 17 of the 26 will be inactive  
15 decommissioning and 9 will be in safe store. With  
16 each power reactor that transitions from operations to  
17 decommissioning, we see an increase in resources to  
18 support both licensing and oversight activities.

19 In addition to the overall increase in the  
20 number of power reactors in decommissioning, there is  
21 also an increase in the number of power reactor sites  
22 pursuing active decommissioning.

23 Sites inactive, the Commission is required  
24 greater amount of licensing and oversight work given  
25 the activities that are happening on site.



1           Based on our review of work inspected at  
2           each of those sites in our inventory in 2021, we did  
3           see an increase forecast per hour at many of these  
4           facilities.

5           I do want to add that COVID-19 impacted  
6           some of our oversight activities. We expect that more  
7           inspection activities will be happening later this  
8           Fiscal Year that were supposed to happen in 2021.

9           With this, I'm going to finish my  
10          presentation and now I'm going to turn it over to  
11          Billy Blaney, who is going to talk about some proposed  
12          policy changes.

13          MR. BLANEY: Thank you, Aida. Good  
14          morning, my name is Billy Blaney from the Licensee Fee  
15          Policy Team and the Office of the Chief Financial  
16          Officer.

17          This morning I will be discussing one of  
18          the policy changes regarding the assessment of annual  
19          fees for future 10 C.F.R. Part 50 non-power production  
20          or utilization facility licensees and for small  
21          modular reactor licenses.

22          Next slide, please. The NRC has not  
23          previously established a policy for assessing 10  
24          C.F.R. Part 171 annual fees for future non-reactor  
25          non-power production or utilization facilities, or

1 NPUF licensees.

2 The Agency currently assesses only 10  
3 C.F.R. Part 170 service fees to NPUF construction  
4 permit holders and Applicant for construction permits  
5 and operating licenses.

6 In anticipation that the NRC could issue  
7 an operating license in the future, the NRC is  
8 proposing to assess annual fees under 10 C.F.R.  
9 171.15 to non-reactor NPUFs.

10 Based on its assessment, the NRC is  
11 proposing to amend 10 C.F.R. 171.15 to allow the  
12 assessment of annual fees to begin after NPUF  
13 licensees complete startup testing and the licensee  
14 provides written notification to the NRC.

15 In addition, the Staff expects that NPUF  
16 facilities will request that a single license  
17 authorize the operation of multiple utilization and/or  
18 production facilities.

19 The number of Staff hours dedicated to  
20 licensing and oversight activities for these  
21 facilities is not expected to differ significantly  
22 based on the number of facilities authorized to  
23 operate under a single license.

24 NRC therefore believes a single annual fee  
25 would be appropriate even where an NPUF licensee has

multiple facilities operating under a single license.

The Staff is also proposing to rename the research and test reactors fee class to the non-power production and utilization facility fee class to account for new NPUF technologies which were not previously included in the research and test reactor fee class.

Non-reactor NPUF licensees would be included in the same annual fee class as currently operating research and test reactors that pay 10 C.F.R. Part 171 annual fees.

This approach would be consistent with the current approach of assessing 10 C.F.R. Part 171 annual fees to the fee class.

This approach would also be consistent with the NRC's expectation that licensing and oversight activities to regulate future NPUF facilities would be comparable to those for the current operating fleet of research and test reactors.

Next slide, please. The NRC is also proposing to amend 10 C.F.R. Part 171.15 so that the assessment of annual fees for a small modular reactor or an SMR licensee commences after the successful completion of power ascension testing and the licensee provides a written notification to the NRC.

1           The NRC does recognize that subsequent to  
2           the issuance of an operating license under 10 C.F.R.  
3           Part 50 or a combined operating license and a 10  
4           C.F.R. 52103(g) finding under the 10 C.F.R. Part 52.

5           Fuel must be loaded in power ascension  
6           testing for SMRs, must be completed before the  
7           facility begins full licensed operation.

8           As discussed in the statement of  
9           considerations for the FY 2020 final rule, 10 C.F.R.  
10          Part 52 COLs for power reactors contain a standard  
11          license condition that requires a submittal of written  
12          notification to the NRC upon successful completion of  
13          power ascension testing.

14          Therefore, the NRC would incorporate a  
15          similar license condition into all future 10 C.F.R.  
16          Part 50 operating licenses and 10 C.F.R. Part 52 COLs  
17          to ensure the licensee would promptly notify the NRC  
18          of successful completion of power ascension testing.

19          These proposed policy changes are  
20          consistent with the FY 2020 final fee rule that  
21          amended the timing of the assessment of annual fees  
22          for future 10 C.F.R. Part 50 power reactors and 10  
23          C.F.R. Part 52 COL holders.

24          This concludes my presentation and now I  
25          would like to turn it over to Meghan Blair to discuss

1 our other policy changes regarding accurate invoicing.

2 MS. BLAIR: Thank you, Billy. Good  
3 morning, my name is Meghan Blair and I am the Labor  
4 Administration and Fee Billing Branch Chief in the  
5 Office of the Chief Financial Officer.

6 I'm going to talk about the accurate  
7 invoicing section of NEIMA and a proposed regulation  
8 change in the FY 2021 fee rule. The accurate  
9 invoicing section of NEIMA is applicable to our fees  
10 for services billed under 10 C.F.R. Part 170.

11 It emphasizes the need to ensure a proper  
12 review and approval is performed prior to issuing the  
13 invoices, having processes in place to ensure  
14 accuracy, transparency, and fairness, and ensuring  
15 there's a fair and efficient process in place for  
16 Applicants and licensees to request a review of or  
17 dispute their invoice.

18 We've completed several projects to  
19 respond to the first two actions and part of the third  
20 action, which I will briefly highlight. I will also  
21 discuss the proposed regulation changes and associated  
22 process that will fully address the third requirement.

23 After that, I will play a short video that  
24 highlights many of the features of our electronic  
25 billing system, e-billing.

1                   Next slide, please. This slide lists some  
2 of the projects we have completed that address NEIMA  
3 Section 102D, Actions 1, 2, and part of 3, which are  
4 also discussed in the Proposed Fee Rule.

5                   Invoice and billing structure redesign.  
6 In FY 2018 we implemented a new data structure used  
7 for tracking NRC Staff time and contractor costs that  
8 is also used on our bills.

9                   We incorporated the new data structure  
10 when we redesigned the invoices to improve clarity and  
11 transparency for our Applicants and licensees.

12                  The new data structure includes a data  
13 element called the enterprise project identifier, or  
14 EPID, which allowed us to group costs at the project  
15 level or by licensing action or inspection.

16                  Using this code, we're able to provide a  
17 description of each project on the invoice and some  
18 costs at the project level.

19                  We also standardize our cost activity  
20 codes or CACs, which are used to track the specific  
21 work activities being performed in order to complete  
22 the project, licensing action, or inspection.

23                  The standardization provides licensees  
24 with consistent descriptions of the work being  
25 performed across licensing action inspections as well

1 as over multiple dockets.

2 We improved the overall content and design  
3 of the invoice by adding Staff and contractor company  
4 names associated with the charges as well as a legend  
5 of acronyms.

6 We organized the charges by separating  
7 cost by project and then by Staff hours versus  
8 contractor costs. These changes have led to a much  
9 more transparent invoice.

10 Standardization of the fee billing  
11 validation process. In FY 2019, we developed and  
12 implemented a new process to ensure a reasonable  
13 review of billable Staff time and contractor charges  
14 as performed consistently across the Agency.

15 The standardized process defines roles and  
16 responsibilities for performing fee billing validation  
17 and certification.

18 It utilizes the EPID data element I  
19 mentioned earlier to identify the proper individual  
20 responsible for overseeing the project and thereby  
21 responsible for validating the charges to that  
22 project.

23 It also requires management oversight to  
24 improve accountability and internal controls over the  
25 process.

1           The process requires offices with few  
2 billable charges to regularly review and validate NRC  
3 Staff hours and contractor costs for accuracy before  
4 we send the bills out to licensees.

5           Each office provides a certification  
6 ensuring all steps in the process were followed and  
7 completed. The new standardized process improves  
8 accountability and oversight within the NRC to help  
9 ensure that fee billing data is accurate before  
10 appearing on the licensee's invoice.

11           E-billing, at the beginning of FY 2020, we  
12 implemented the electronic billing system or e-  
13 billing. It's a web-based application that provides  
14 Applicants and licensees with the immediate delivery  
15 of their invoices along with many other benefits.

16           I'd like to highlight a couple of the  
17 features that address the transparency aspect of  
18 NEIMA.

19           First, e-billing provides licensees with  
20 the ability to export their invoice details to  
21 Microsoft Excel, which allows for easy parsing of the  
22 billing data and the ability to perform data  
23 analytics.

24           A newer functioning that we implemented in  
25 May of 2020 is the accrual report feature. On a



1 biweekly basis after each NRC pay period, e-billing  
2 provides access to costs that have accrued during the  
3 billing quarter but have not yet been billed.

4 This feature allows individuals enrolled  
5 in e-billing to improve their financial planning and  
6 review charges before the invoice is issued. The  
7 accrual reports are also available in Microsoft Excel  
8 format for easy data analysis.

9 I do also want to mention that currently,  
10 e-billing sign-up is completed through an email  
11 process, however, we are working to implement a new  
12 online registration functionality to increase  
13 efficiency.

14 We expect this enhancement to be ready in  
15 May. The video clip that we'll play in a few minutes  
16 will show these features as well as many of benefits  
17 of e-billing.

18 NRC Form 527 requests for information  
19 related to fees for service.

20 In FY 2019 we developed a form to  
21 facilitate a standardized and efficient process for  
22 licensees to request additional information on charges  
23 related to their fee-for-service invoices.

24 The process requires that the licensee  
25 complete a small portion of the form with information

1 necessary to identify the invoice and specific charges  
2 in question.

3 This enhances efficiency by enabling the  
4 licensee to provide all the necessary information  
5 upfront in the process.

6 Once received, the NRC Project Manager or  
7 lead inspector will review the included form and add  
8 the requested additional information to the form. The  
9 form goes back through OCFO for review and then is  
10 provided to the licensee.

11 If an error is identified at this point,  
12 OCFO will coordinate with the technical staff and the  
13 licensee until the error is corrected.

14 The form includes detailed instructions  
15 and a process map to aid and clear understanding of  
16 both the licensees' and the NRC's roles, as well as  
17 the various steps in the process.

18 The implementation of this form provides  
19 and efficient, fair, and appropriate process for  
20 licensees and Applicants to seek review of these on  
21 their invoices.

22 These are the improvements we've  
23 implemented so far that serve to address the accurate  
24 invoicing section of NEIMA. Let's move on to the  
25 proposed regulation changes that will serve to address

1 the dispute portion.

2 Next slide, please. Section 102D3 of  
3 NEIMA requires the NRC to modify regulations to ensure  
4 fair and appropriate processes to provide licensees  
5 and Applicants an opportunity to a efficiently dispute  
6 or otherwise seek review and correction of errors in  
7 invoices for service fees.

8 The NRC is proposing requirements for a  
9 standard methods for licensees and Applicants to do  
10 this. The process is illustrated in this map which is  
11 also provided on Page 3 of the NRC Form 529 dispute of  
12 fees for service charges in accordance with 10 C.F.R.  
13 Part 170.51.

14 The proposed process follows the  
15 established method for licensees and Applicants to  
16 submit requests for the review of fees under 10 C.F.R.  
17 Part 170 via the NRC Form 527 that I just mentioned.

18 If the Applicant or licensee wishes to  
19 pursue a dispute after receiving NRC's response to the  
20 Form 527, they will complete their portion of the Form  
21 529 and submit it to the NRC.

22 The form may be submitted via email or  
23 regular mail and we're actually in the process of  
24 enabling the form in e-billing so that it will be  
25 available to submit directly in the system for even

1 greater efficiency.

2 After that, the NRC will acknowledge the  
3 receipt of the dispute form and review it to determine  
4 if there are any errors pursuant to 10 C.F.R. Part 15.  
5 We will communicate our findings back to the licensee  
6 and if the dispute is valid, make corrections and  
7 issue a new invoice.

8 The NRC will complete the dispute process  
9 by returning the Form 529 back to the Applicant or  
10 licensee with the NRC's dispute determination.

11 Standard use of an NRC form and amendments  
12 to the current regulations as outlined in the Proposed  
13 Fee Rule will increase efficiency by providing  
14 licensees and Applicants with clear guidelines and  
15 expectations for submitting a fee dispute.

16 It will also eliminate ambiguity regarding  
17 the appropriate information needed for NRC to consider  
18 and decide on a fee dispute. These proposed changes  
19 outline the interactions between the submitter and the  
20 NRC.

21 They will also enhance understanding by  
22 setting out the process for submitting a fee dispute,  
23 the stages of the decision-making process while the  
24 dispute is under review, and the manner by which the  
25 NRC will notify a debtor after it makes a final

1 determination on a dispute.

2 Additionally, the proposed revisions  
3 provide consistent terminology to differentiate fee  
4 disputes under 10 C.F.R. Part 15 from fee exemptions  
5 under 10 C.F.R. Parts 170 and 171.

6 This wraps up the proposed regulation  
7 changes to address Action 3 under the accurate  
8 invoicing section of NEIMA. Let's move on to the e-  
9 billing video.

10 Hey, Jo, I don't think there's any sound.

11 MS. JACOBS: Can you hear the music?

12 MS. BLAIR: No.

13 (Video plays.)

14 Thanks, Jo. So, this wraps up the e-  
15 billing portion of this meeting. Next up is Tony  
16 Rossi.

17 MR. ROSSI: Thank you, Meghan. Good  
18 morning, My name is Anthony Rossi, I'm the Licensee  
19 Fee Policy Team Lead in the Division of Budget, Office  
20 of the Chief Financial Officer.

21 This morning I will briefly describe our  
22 efforts concerning the initiative to develop a future  
23 annual fee policy for Non-Light Water Reactors,  
24 including consideration for very small Non-Light Water  
25 Reactors, commonly referred to as micro reactors.

1           Next slide, please, Jo.    The current  
2   annual fee structure in 10 C.F.R. Part 171 would  
3   require small Non-Light Water Reactors to pay the same  
4   annual fee as those paid by the operating power  
5   reactor fee class.

6           Although the NRC revised this part of the  
7   fee rule in 2016 to establish a variable annual fee  
8   structure for small modular reactors, this revision  
9   defines small modular reactors for the purposes of  
10   calculating fees as the class of Light Water Power  
11   Reactors having a licensed thermal power rating of  
12   less than or equal to 1000 megawatts thermal per  
13   module.

14          This limits the annual variable fee  
15   structure to Light Water Reactors excluding all  
16   Non-Light Water Reactor designs. Also, consideration  
17   needs to be given for very small reactors commonly  
18   referred to as micro reactors.

19          In order to develop a fair and equitable  
20   fee structure for Non-Light Water Reactors, we have  
21   formed a Work Group comprised of Staff from several  
22   NRC Offices including the Office of the Chief  
23   Financial Officer, the Office of Nuclear Reactor  
24   Regulation, the Office of Nuclear Materials Safety and  
25   Safeguards, and Our Office of General Counsel to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 discuss various fee rule alternatives for Commission  
2 consideration.

3 The Staff plans to work within the  
4 existing rulemaking process to propose and develop  
5 changes to 10 C.F.R. Part 171 that would be fair and  
6 equitable for Non-Light Water Reactors, including very  
7 small Non-Light Water Reactors.

8 The Staff first initiated stakeholder  
9 outreach on this topic in the May 2020 public meeting  
10 and we continue to engage the stakeholders in an  
11 ongoing series of advanced reactor stakeholder public  
12 meetings.

13 These meetings will help inform the  
14 development of a proposed Non-Light Water Reactors  
15 annual fee policy along with stakeholder input.

16 While this policy change will not be part  
17 of the FY 2021 fee rule, the Office of the Chief  
18 Financial Officer is currently evaluating the  
19 appropriate timeline for a proposed policy change for  
20 Commission consideration.

21 With these comments, I'll now turn the  
22 meeting back over to our moderator, Jo Jacobs.

23 MS. JACOBS: Good morning, thank you, Tony,  
24 for that. Now we are moving on to the designated  
25 question-and-answer session which Billy Blaney and I

1 will be moderating.

2 We currently have allotted 20 minutes for  
3 questions and answers and if there are any follow-up  
4 questions that cannot be addressed in this meeting, we  
5 will address these questions as part of our public  
6 meeting summary.

7 When you have a question, please speak  
8 clearly and state your name and affiliation and  
9 identify the panel member that your question or  
10 comment is directed towards so that we are able to  
11 record this on the record.

12 At this time, Billy is going to check if  
13 anyone in the chat box has raised their hand to ask a  
14 question or make a comment.

15 We will take a few questions by this  
16 method and then we will see if anyone on the phone has  
17 any questions.

18 With that, Billy?

19 MR. BLANEY: I'm checking now to see if  
20 there's any hands raised. I'm not seeing any at this  
21 particular time.

22 MS. JACOBS: Okay.

23 MS. JOHNSON: This is Cherish, I can see  
24 some hands are raised. How would you like to do that?  
25 Sorry I'm stepping in, I just want to help.



1 MR. BLANEY: Thanks, Cherish, because I'm  
2 not seeing it on my end for some reason.

3 MS. JOHNSON: The first one I see is John  
4 Butler.

5 MS. JACOBS: Okay. John?

6 MR. BUTLER: Yes.

7 MS. JACOBS: Thank you for participating  
8 in our meeting. Do you have a question or comment?

9 MR. BUTLER: Yes, first off, thank you for  
10 conducting the meeting. These are always very  
11 valuable to me.

12 My question is on the limit for operating  
13 reactor Part 171 annual fees that came as part of the  
14 NEIMA bill. Can you give me just a brief overview of  
15 how that limit is calculated?

16 MR. BLANEY: Jo, do you know which slide  
17 we're talking about here?

18 MS. JACOBS: Was it a slide or just about  
19 the CAC John?

20 MR. BUTLER: It's about the CAC. I'm just  
21 looking for the specifics of how it's calculated. Do  
22 you use an average CPI from the period of 2015 up to  
23 the prior year, the year you're considering?

24 MS. GALSTER: John, this is Christie  
25 Galster, our base is the 2015 annual fee that, yes, we

1 do an analysis with the CPI and we actually have all  
2 the figures.

3 We go each month and we look at that and  
4 it's actually in our work papers under the power  
5 reactors, just so everyone can kind of see how we come  
6 up with the inflated rate.

7 MR. BUTLER: Thank you.

8 MS. JACOBS: Are there any other questions  
9 in the chat box? Or John, do you have another  
10 question?

11 MR. BUTLER: I had a couple of questions,  
12 yes.

13 MS. JACOBS: Okay, I understand the  
14 difficulty and coming up with accurate Part 170  
15 estimate as part of the proposed budget.

16 I'm curious whether or not there has been  
17 any attempt to go back and look at prior-year budgets  
18 and how compare how accurate those proposed budget  
19 estimates of Part 170 compared with the Part 170  
20 collections or even what was in the final fee rules.

21 MR. BOWMAN: This is Greg Bowman, I can  
22 take a first crack at that if you like and then if  
23 anybody from OCFO or from the NRR budget team wants to  
24 chime in, that would be great.

25 I'm not a budget guru, I'll put that out

1 first, John, but I'm taking part in budget formulation  
2 for FY 2023 right now.

3 And what I have seen is us doing a lot of  
4 work to take a look at how we've been executing budget  
5 in prior years when we're looking at the FY 2023  
6 budget to look for areas where we really didn't expend  
7 the resources we were expecting to.

8 And in those cases, we do take a very  
9 critical look to see whether we're at the right place  
10 in the budget or whether we need to reduce, or if  
11 we're over-executing, whether we need to add.

12 So, that is kind of an integral part of  
13 what we do for budget formulation. I can't speak to  
14 how it's been in years past because I'm relatively new  
15 to this but it is a relatively significant part of how  
16 we're doing the formulation this year.

17 Does that answer your question? I guess  
18 I would ask if anybody from either OCFO or EPID if  
19 you'd like to add anything that I might have missed?

20 MR. BUTLER: I mean, that's what I would  
21 expect you to do. I appreciate the response and I  
22 appreciate the fact that you're looking at that.

23 I know in prior years the budget estimates  
24 have been higher than what has actually been in the  
25 final rules. So, I'm just looking for some level of

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 review and correction if necessary.

2 MR. BOWMAN: Understood, thanks.

3 MR. BUTLER: I had an initial question, if  
4 I could ask it?

5 MS. JACOBS: Sure, John.

6 MR. BUTLER: Thanks. The Form 529, I was  
7 curious whether or not when a fee is disputed through  
8 the Form 29, do you put the disputed fees into  
9 abeyance?

10 I guess that's the quickest way of asking  
11 the question.

12 MS. BLAIR: Hi, John, are you asking  
13 whether we kind of put the invoice on hold or under  
14 review during that period?

15 MR. BUTLER: Yes.

16 MS. BLAIR: Yes, we do.

17 MR. BUTLER: Okay, good. And one final  
18 question which may or may not be in scope, is there an  
19 estimate of when you'd expect the CBJ for FY 2022 to  
20 be released?

21 MR. SHAY: Hey, John, this is Jason, the  
22 Director. We've gotten estimates for late March.  
23 Unfortunately, we would have loved to have the 2022  
24 data in this presentation. As you can see from my  
25 presentation, I didn't touch upon 2022 for a reason.

1           We talked to our OMB examiner and these  
2           are just estimates but we're hopeful for the end of  
3           March, but obviously, until OMB releases the FY 2022  
4           budgets, I really can't comment on the data on 2022.  
5           But we would sure love to have it, that's for sure.

6           MR. BUTLER:     Great, that answers my  
7           question. That's all the questions I have, thank you  
8           very much.

9           MS. JACOBS:    I think now we can see if  
10          anyone else on the phone -- we'll move to the phone --

11          MS. JOHNSON:   I still see some hands up.

12          MR. BLANEY:    Yes, I had some hands too,  
13          Jo.

14          MS. JACOBS:    We're going to see if there's  
15          anyone on the phone and then we're going to come back  
16          and check the chat box for the hands raised.

17          Does anyone on the phone have any  
18          questions. If so, please hit star-six to unmute your  
19          phone. Hearing none, Billy, we can move back to the  
20          chat box.

21          MR. BLANEY:    Sure, Eric Jebson has his  
22          hand raised.

23          MR. JEBSEN:    Hello, this is Eric Jebson  
24          from Exelon Generation, can you hear me okay?

25          MS. JACOBS:    We can hear you.

1 MR. JEBSEN: Thank you. I had two  
2 questions, one is I think for Christine Galster.

3 I study the determination of the hourly  
4 rates, what goes in and out and I've always had a  
5 question, and it may have been answered before and I  
6 just lost my notes, about the mission-direct non-labor  
7 exclusion and why other non-labor is included.

8 And maybe some examples of what is in the  
9 non-labor? So, just a little discussion about, again,  
10 why the mission-direct non-labor is excluded from the  
11 hourly fee calculation but other non-labor is  
12 included, and maybe some examples.

13 And that's the first question.

14 MS. GALSTER: The mission-direct labor is  
15 included into the Part 170 rate.

16 MR. JEBSEN: This would be the non-labor.

17 MS. GALSTER: The non-labor, the contract  
18 dollars are not included. The direct mission contract  
19 dollars are not included because those are contract  
20 dollars so more than likely those are all billed  
21 individually on your invoices.

22 So, we would be double-counting those if  
23 they were included in your invoices as well as being  
24 counted in the Part 170 calculation.

25 MR. JEBSEN: That's helpful to me because

1 knowing their contract and looking at invoices, I  
2 agree, I'll see invoices from National Labs and so  
3 forth on the invoices.

4 So, I understand that.

5 Now, how about then why would non-labor  
6 and maybe an example of non-labor indirect is  
7 included?

8 MS. GALSTER: Everything for indirect and  
9 Agency costs are all included. Indirect, it's just  
10 basically we can't identify -- it's not an  
11 identifiable recipient within that fee class or within  
12 a fee class.

13 So, that is indirect just like indirect  
14 supplies, that would all have to be included and  
15 overhead is all included in the Part 170 rate because  
16 we have to collect 100 percent of our budget.

17 So, all those resources have to be  
18 combined together and charged in the Part 170 hourly  
19 rate.

20 I'm just trying to think of an example.  
21 If we had a contract with admin assistants that we use  
22 for NRC, that would be included in I believe indirect.  
23 And possibly also Agency support as well.

24 MR. JEBSEN: Right, there's the other  
25 category too. Okay, so I think I understand those.

1 The big thing was why is the one not included?

2 It's billed later as contractors and the  
3 other is just a whole grab bag of stuff that doesn't  
4 seem to fit anywhere else, that's indirect non-labor.

5 And then I guess a segue to that, and  
6 maybe you're not the right person, looking at the  
7 overhead part of this, I know that NEIMA had certain  
8 caps on the overhead.

9 And again, I apologize, you may have said  
10 it and I missed it, but what is the overhead projected  
11 to be for Fiscal Year 2021 versus the CAC?

12 MR. SHAY: Thank you, Eric. So, the cap  
13 was 30 percent for 2021 and 2022, 29 percent for 2023  
14 and 2024, and 28 percent for 2025 and beyond.

15 We made every effort, to the maximum  
16 extent practicable, to meet that cap in 2021. We are  
17 just slightly over it, we're at 31 percent with the  
18 budget that we submitted to Congress in our CBJ.

19 So, we're just slightly over it but we've  
20 made every attempt to do so in 2022 and you'll see  
21 that data come out once OMB releases our budget.

22 MR. JEBSEN: Okay, thank you very much for  
23 that. And I just thought of another one and since I'm  
24 holding the stick I'm going to ask this. I think this  
25 is for Meghan Blair and this was regarding the



1 disputes and adjustments, and John's question made me  
2 think of this.

3 Right now, I've had experience with  
4 getting not very regularly but sometimes we'll get a  
5 refund check. And we get those as paper checks, it's  
6 a Federal Government check.

7 The only thing I'm asking that we push for  
8 is if there's a way to -- just because it's so  
9 difficult handling paper anymore -- get those as a  
10 credit against a future billing.

11 I don't know if there's an internal  
12 Federal Government rule that says you can't carry it  
13 across Fiscal Years.

14 I don't know if there's something like  
15 that but I would encourage the NRC to maybe pursue  
16 being able to use credit in lieu of a paper check.

17 MS. BLAIR: Thank you, Eric. That's  
18 something we can look at I think. With some new  
19 business processes implemented around e-billing, we're  
20 maybe unable to do that.

21 But I will take that into consideration  
22 and just double-check into that.

23 MR. JEBSEN: Okay, that's all from me,  
24 thank you. To echo John Butler, this is always very  
25 helpful and I very much appreciate the information.

1 Thank you.

2 MS. GALSTER: Eric, I just wanted to add  
3 on one more thing.

4 You were mentioning you would like to get  
5 examples for what is indirect non-labor and in our fee  
6 rule work papers we actually have a list by product  
7 line and product for what is indirect and what is  
8 Agency support.

9 So, you might want to check that out as  
10 well.

11 MR. JEBSEN: Awesome, I probably just  
12 didn't go back that far. Thank you.

13 MS. JACOBS: Billy, I think we should see  
14 if anyone on the phone?

15 MR. BLANEY: Yes, I'll double-check the  
16 phone and then we can double back too because we have  
17 a couple more hands raised in the chat box.

18 MS. JACOBS: Perfect, does anyone on the  
19 phone have any questions that hasn't already spoke?

20 MS. JOHNSON: Jo, Steven Dolley's been  
21 waiting some time now.

22 MS. JACOBS: Okay, hi, Steven.

23 MR. DOLLEY: Hi, good morning, this is  
24 Steven Dolley with SMP Global Platts, can you hear me  
25 okay?

1 MS. JACOBS: Yes.

2 MR. DOLLEY: Great, thanks very much. I  
3 want to echo the previous speakers who thanked you all  
4 for putting the presentations together. It's always  
5 interesting and useful to get under the hood of the  
6 fee rule, if a little bit scary.

7 Two quick questions, the first is just  
8 quite simply high-level, when does Staff plan to  
9 finalize and send up the final fee rule?

10 MS. JACOBS: This is Jo Jacobs. Right  
11 now, we are hoping to have the final fee rule  
12 published no later than June 30th.

13 Obviously, if we can have it published  
14 sooner, we are doing everything possible to work  
15 towards an earlier date. But right now, we're hoping  
16 to have it published by June 30th at the latest.

17 MR. DOLLEY: Thanks, I appreciate that and  
18 I understand the constraints there.

19 And the second question is on NEIMA fee  
20 recovery requirements and I apologize, I probably  
21 missed some nuance here and I will go back and listen  
22 to that section again.

23 But would it be accurate to say for FY  
24 2021 under the NEIMA requirement there be 100 percent  
25 fee recovery for FY 2021?

1 MS. JACOBS: That's correct.

2 MR. DOLLEY: A simple statement like that  
3 would not be inaccurate.

4 MR. SHAY: Minus our excluded activities.

5 MR. DOLLEY: I'm sorry. Sorry, that was  
6 Jason?

7 MR. SHAY: Yes, sorry about that.

8 MR. DOLLEY: I had my notes up rather than  
9 the video. Okay, well, this is why I was asking about  
10 it, excluded activities defined as...? This is the  
11 waste incidental reprocessing and --

12 MR. SHAY: It's the items in our net  
13 budget authority, the \$123 million that Christine had  
14 mentioned. Those are off the fee base so we have to  
15 recover the rest of our fees minus the \$123 million of  
16 net budget authority.

17 MS. GALSTER: Steven, Jason was saying the  
18 fee relief that used to be under OBRA 90, we used to  
19 have a cap of that 10 percent and if we went over or  
20 under there was a surcharge assessed to everyone's  
21 annual fees.

22 Under NEIMA, that is no longer happening  
23 so whatever fee relief is, all of it, the entire  
24 amount of fee relief is excluded from the fee-based  
25 budget.

1 MR. DOLLEY: Okay, so for the FY 2021 --  
2 (Telephonic interference)  
3 -- percent recovery, except for the \$123  
4 million that's off fee base?

5 MS. GALSTER: Correct, and there's a  
6 detail in the work papers as well as our fee rule, I  
7 think it's Table 1, that will go through all the  
8 activities that are part of the fee relief and part of  
9 the statutory excluded items as well.

10 MR. DOLLEY: Okay, great, thank you all  
11 very much. I'm sorry, go ahead.

12 MR. SHAY: And Steven, just for clarity,  
13 NEIMA states approximately 100 percent so just for  
14 accuracy, if you're going to state the quote out of  
15 NEIMA, it's approximately 100 percent minus excluded  
16 activities.

17 MR. DOLLEY: Okay, but that doesn't change  
18 what you just told me about the 123, right?

19 MR. SHAY: That's correct.

20 MR. DOLLEY: Okay, great, thank you very  
21 much, I appreciate it.

22 MR. SHAY: You're welcome.

23 MR. BLANEY: Jo, we have a Jason Zorn in  
24 the chat box with his hand raised.

25 MS. JACOBS: Hi, Jason, who is your

1 question directed towards?

2 MR. ZORN: I'm not sure on who would  
3 answer this, it's more of a general policy question.  
4 My name is Jason Zorn, I'm an Assistant General  
5 Counsel at Exelon.

6 When the Proposed Fee Rule went out, we  
7 took the opportunity to go back and look at NEIMA of  
8 course and look at some of the legislative history on  
9 that.

10 And I guess it's sort of a general  
11 question because when you look back at the leg history  
12 for NEIMA, there's a clearly articulated problem  
13 statement at the beginning of the conference report  
14 for the statute.

15 And it very specifically highlights the  
16 discrepancy between estimated Part 170 fees versus  
17 what's actually collected in the fee rule.

18 And for instance, when they talk about  
19 OBRA 90 they said if the NRC overestimates the amount  
20 of revenue it expects to collect, it must recover the  
21 resulting revenue, shortfall through Part 170 fees, in  
22 order to meet the OBRA 90 mandate for 90 percent fee  
23 recovery.

24 And then it goes on to state that NEIMA's  
25 intended to help provide assistance in reducing this

1 discrepancy. So, in looking at the budget here and,  
2 for instance, what was in the CBJ, the 2021 CBJ and  
3 the estimated Part 170 recovery for operating  
4 reactors, for instance, it was about \$188 million.

5 But then in the proposed feel rule it's  
6 about \$157 million and maybe I'm misunderstanding the  
7 equivalency between those two numbers.

8 But I guess it's just a general question  
9 of does the Staff feel its met the general intent of  
10 NEIMA or that it's still working towards meeting it to  
11 have those estimated Part 170 fees be closer to what's  
12 actually collected?

13 Because as it's proposed right now, it  
14 seems to be perpetuate the old problem that was  
15 created by OBRA 90. And you have this overestimate of  
16 the budget, which you ultimately have to shift over to  
17 the annual fees.

18 So, I'm sorry for the long-winded  
19 question. Hopefully I got my point through.

20 MS. JACOBS: Sure. Christie, did you want  
21 to answer that?

22 MS. GALSTER: So, first, to start off I  
23 think the big disconnect is, and correct me if I'm  
24 wrong, what you're seeing in the CBJ for estimated  
25 Part 170 is different from what you're seeing in the

1 Proposed Fee Rule for the estimated Part 170, is that  
2 correct?

3 MR. ZORN: If I understand it correctly,  
4 and I understand earlier in the presentation you  
5 discussed differences between the business lines and  
6 the fee classes.

7 But in Appendix C to the CBJ there's this  
8 discussion of anticipated operating reactor fees and  
9 it says that Part 170 for operating reactors is going  
10 to be approximately 188 I think.

11 In the proposed rule it states that the  
12 actual was 157.

13 MS. GALSTER: Right, and it is also  
14 estimated that the 157 is also estimated, obviously  
15 because we only had a couple of months in 2021 to  
16 estimate that.

17 So, the big variance between what you're  
18 saying in the CBJ and that appendix is those numbers  
19 were formulated two years ago.

20 So, at that time two years ago, we're  
21 looking at 2018, 2019 is when they're formulating the  
22 2021 budget, and Jason can correct me if I'm wrong,  
23 but while they're doing that formulation, that's when  
24 they're estimating all the work.

25 They're talking to all their stakeholders



1 to see what work they want to get done. And so that  
2 is why you're seeing 188, but we get more current  
3 information as we're doing the Proposed Fee Rule  
4 because obviously, we're just maybe ten months out,  
5 six months out.

6 And so we're getting more accurate data of  
7 what work is actually going to be done in the Part  
8 170.

9 And going back to the CBJ, obviously the  
10 CBJ that's formulated two years prior, that's not what  
11 our appropriation is. So, what we wanted in the CBJ  
12 for the budget actually declined.

13 I don't have the number in front of me but  
14 it was quite substantial. So, yes, you may see the  
15 Part 170 going down from the CBJ to the proposed but  
16 you also need to look at the budget as well.

17 Because the budget in the CBJ does also  
18 not consider having carryover funding as well. Does  
19 that help?

20 MR. ZORN: Thanks for the answer, I  
21 appreciate that.

22 I guess still my core question is NEIMA  
23 recognized this, Congress was aware when it drafted  
24 NEIMA that the budget was formulated two years out in  
25 advance but still intended, it appears, to address to

1 close that gap.

2 And arguably I suppose it does this by  
3 providing more flexibility than OBRA 90 had recovery.  
4 Because in the past, it used to be the NRC would say,  
5 oh, shucks, OBRA 90 requires us to get 90 percent back  
6 so our hands are tied. We can't make any adjustments.

7 Whereas, now that OBRA 90 is gone and  
8 you've got NEIMA in its place, one could surmise that  
9 the intent of NEIMA was to provide flexibility in  
10 these situations in which -- accounting for the fact  
11 the budget was formulated two years ago.

12 And now it's two years later, how did the  
13 NRC use NEIMA to address that discrepancy to make it  
14 closer so that that overbudgeting has not shifted over  
15 to annual fees?

16 MR. SHAY: Jason, this is Jason actually.  
17 We can take that offline and we can provide you a  
18 better response in the summary that we have.

19 But your point is well taken, I think we  
20 just need to provide a better response and get back to  
21 you in the summary of the meeting itself.

22 MR. ZORN: Thank you, Jason, I appreciate  
23 that.

24 One other data-point on that I would just  
25 highlight is for instance, in the explanation in the

1 Proposed Fee Rule as to why the Part 170 fees were  
2 less than anticipated, it cites the closure of Indian  
3 Point 3 and Duane Arnold even though there's probably  
4 something here I'm missing.

5 But Indian Point 3 shutdown was announced  
6 in January 2017 and Duane Arnold was known quite a bit  
7 of time ago as well I believe.

8 But it's hard for me to understand why  
9 that would be counted as it seems like always an  
10 unanticipated thing that happened, therefore, we're  
11 not doing as much work as we thought.

12 Whereas, in fact, it's been known for four  
13 years now about Indian Point 3. So, I would just ask  
14 to take a closer look at that.

15 MR. SHAY: I appreciate your insights,  
16 thank you very much. Before we go onto the next  
17 question, I do want to just clarify something about  
18 the 2021 budget.

19 So, a clarification, we are expecting our  
20 pass back at the end of March and then subsequently  
21 our CBJ later on. Don't know the exact dates of the  
22 CBJ but I just wanted to clarify that we're supposed  
23 to get our pass back by the end of March.

24 So, I just wanted to highlight that.

25 MS. JACOBS: Are there any other

1 questions?

2 MR. BLANEY: Yes, we have Tony Zimmerman  
3 with his hand raised.

4 MS. JACOBS: Thank you, Tony. What is  
5 your specific question or is it towards a specific  
6 person?

7 MR. ZIMMERMAN: Yes, thank you for the  
8 time to ask the question. I appreciate the  
9 presentation today too, it was very insightful.

10 My question, I believe, I for Meghan Blair  
11 and relates to e-billing around Slide 35 in your  
12 presentation.

13 First of all, I just want to commend the  
14 Staff for the e-billing effort you've done. It's a  
15 tremendous improvement over the paper hard copy PDFs  
16 we usually get and it gives us a lot more ability as  
17 a licensee to analyze the data and to make sure the  
18 billing accuracy reflects the work performed.

19 And by the way, my organization is Duke  
20 Energy. I have responsibility for NRC fees regarding  
21 the company.

22 My question or comment relates back to the  
23 functionality of e-billing and your video demonstrated  
24 the capability to drill into EPID and look at  
25 individual line items, which is very useful.

1           My question is me as a licensee, if I want  
2           to find out how much a certain inspection activity  
3           costs or a licensing reactivity cost, I have to go  
4           back through each individual e-billing invoice and  
5           then total them up or import them into Excel the way  
6           you demonstrated in your video.

7           Some added functionality that we requested  
8           during the original scoping of your e-billing effort  
9           and during the initial public meetings was the ability  
10          to look at discreet line items across billing cycles.

11          So, for example, on e-billing website, if  
12          I could pull a specific inspection activity or an EPID  
13          from licensing with you and see what the current  
14          invoice total was for that particular quarter, but  
15          also have my search return results across the entire  
16          lifecycle of that activity, that provides a lot more  
17          functionality as an interactive tool than having to  
18          manually import every quarter's invoice into a  
19          separate Excel spreadsheet and then try to tally  
20          across that way.

21          So, as you're looking at e-billing and  
22          future potential enhancements, I would encourage you  
23          to look at some functionality that allows licensees or  
24          even the NRC to look at EPID activities across  
25          multiple billing cycles and totaling up the entire

1 cost of a given activity, as opposed to limiting that  
2 review on the current quarter in question.

3 Thank you.

4 MS. BLAIR: Thanks for that. So, if I'm  
5 not mistaken, I do believe we have the functionality  
6 to be able to select multiple invoices and export the  
7 data for all of those invoices into Excel.

8 I don't know, we have two of our e-billing  
9 Project Managers, IT specialists, on the line.  
10 Nandini Sharma or Victor Kochuba, are you available to  
11 chime in on the current functionality with regards to  
12 being able to export data across multiple bills?

13 MS. SHARMA: Meghan, do you mind repeating  
14 the question, please?

15 MS. BLAIR: Sure, so the question is does  
16 e-billing currently offer the ability to export  
17 billing data across multiple invoices, multiple  
18 quarters of invoices, for a particular docket?

19 MS. SHARMA: I believe it does. I would  
20 expect if the inquiring party doesn't mind to just  
21 check in with our support. We should be able to  
22 support such requests.

23 MS. BLAIR: I do think we've implemented  
24 that functionality and we'll follow up to make sure  
25 but I do believe it exists. If it doesn't, we'll

1 definitely put it on the list but I believe it's  
2 there.

3 MS. SHARMA: Yes, I would support that  
4 Meghan, and in fact, we can export it in a couple of  
5 formats as well. If Excel is suitable we can do that  
6 as well as PDF.

7 MS. BLAIR: Right, so if you do want to go  
8 ahead and submit a help request or we can try to reach  
9 out to you if we have your contact information through  
10 this Teams call.

11 We can walk you through the process as  
12 well.

13 MS. SHARMA: Absolutely.

14 MR. ZIMMERMAN: Thank you, I appreciate  
15 that. I'll take a look at that functionality.

16 MS. JACOBS: Sure. Billy, are there any  
17 other questions?

18 MR. BLANEY: John Butler, do you have your  
19 hand raised again to ask another question?

20 MR. BUTLER: Yes, I had a follow-up to the  
21 discussion with Jason Zorn.

22 I'm curious as to whether or not the FY  
23 2022 budget will take into account the closures that  
24 are now known to be expected in FY 2022, operating  
25 plant closures?

1 MS. JACOBS: Jason?

2 MR. SHAY: Hey, John, sorry about that,  
3 let me get my camera on. Yes, unfortunately, I can't  
4 comment on the 2022 budget right now, I apologize for  
5 that obviously.

6 I don't want to give out information that  
7 I'm not authorized to do given that OMB has not  
8 released the budget itself.

9 So, I'm reluctant to really go into that  
10 level of detail but as soon as we get more  
11 information, I promise you we'll get that out there as  
12 soon as possible.

13 MR. BUTLER: Understood, thank you.

14 MR. SHAY: Thank you, John.

15 MS. JACOBS: Does anyone on the phone have  
16 any questions, who hasn't already asked a question?  
17 Hearing none, are there any other questions from the  
18 chat box?

19 MR. BLANEY: I do not see any additional  
20 hands raised. Are there any other questions out there  
21 that may want to be asked at this point? I'm not  
22 seeing any, Jo.

23 MS. JACOBS: Okay, hearing that there are  
24 no more questions, we will move on to public comment  
25 submission.



1           As you will see on the next two slides,  
2           there are various ways that members of the public can  
3           comment on our fee rule by the end of the comment  
4           period on March 24th.

5           You can go to [regulations.gov](http://regulations.gov) and  
6           reference the docket ID and address questions to Dawn  
7           Forder. You can email your comments to the  
8           [rulemaking.comments@nrc.gov](mailto:rulemaking.comments@nrc.gov).

9           You can mail in the comments to the  
10          Secretary of the U.S. Nuclear Regulatory Commission or  
11          for further information, you can contact the license  
12          fee policy team lead, Anthony Rossi. And his phone  
13          number is listed here in the Proposed Fee Rule.

14          And with that, that concludes this portion  
15          of the meeting and I will turn the meeting back over  
16          to our Chief Financial Officer, Cherish Johnson, for  
17          her closing comments.

18                 MR. BLANEY: Jason, you're muted.

19                 MR. SHAY: Sorry about that. I'm going to  
20          close for Cherish, she had to depart early.

21                 So, I just want to say to all of our Staff  
22          and stakeholders, I hope you have a better  
23          understanding of our fee-setting program and its  
24          relationship to our budget formulation activities.

25                 We look forward to any comments you may

1 submit on our proposed rule. And lastly, I'd like to  
2 thank the presenters this morning and recognize the  
3 wonderful job that our License Fee Policy Team did in  
4 putting the meeting together for us today.

5 With that, I think we've concluded the  
6 meeting and I wish everyone a great day and to be  
7 safe. Thank you very much, take care.

8 (Whereupon, the above-entitled matter  
9 went off the record at 11:47 a.m.)

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25