

October 4, 2000

Roger A. Newton, Chairman
License Renewal Working Group
Westinghouse Owners Group
Wisconsin Electric Power Company
231 West Michigan
Milwaukee, Wisconsin 53201

Subject: Request for Waiver of WOG License Renewal Generic Technical Reports NRC
Review Fees (Project 686)

Dear Mr. Newton:

In your letter dated July 18, 2000, the Westinghouse Owners Group (WOG) requested that further fees be waived for the three license renewal generic technical reports (GTRs) that were under review at that time. In a telephone conference on July 21, 2000, we agreed to stop work on the review of WCAP-14756 (containments) and estimated that the draft safety evaluation reports (DSERs) for WCAP-14574 (pressurizer) and WCAP-14577 (vessel internals) would be completed by the end of August. We also agreed to defer plans for a meeting to discuss this matter until early September. Subsequently, the DSERs for WCAP-14574 and WCAP-14577 were issued on August 7 and September 8, 2000, respectively.

During a telephone conference on September 14, 2000, with the WOG representatives, we explained how NRC is providing relief from the 10 CFR Part 170 fees that are assessed to the WOG for the staff's review of GTRs, as stated in our November 7, 1996, letter. We have performed a review of the total level of effort the NRC staff has invested over the last five years. As a result of our review, the staff apportioned about 40 percent as billable to the WOG under Part 170. No additional relief from Part 170 fees will be provided. The results of our review of the GTRs fees is summarized on the enclosed table, which was provided to the WOG representatives during the telephone conference.

While reviewing the fees, we identified an error in the charges for our contractor's review. We have requested that the License Fee and Accounts Receivable Branch, Office of the Chief Financial Officer make an adjustment in the fees paid by the WOG. During our telephone conference, we explained that the values in the enclosed table were August estimates. The actual fee values depend on an exact accounting by the License Fee and Accounts Receivable Branch. In particular, the amounts associated with the total contractor effort and refund for WCAP-14756 need to be corrected to match the verified billing amounts. During our telephone conference, we also described several lessons that both the NRC and the WOG should consider for future improvements in project management practices. Overall, we concluded that the amount of the fees was appropriate, and we agreed to a follow-up conference on September 19, 2000, in lieu of a formal meeting.

In the telephone conference on September 19, 2000, the staff updated and revised the fee estimate and schedule to complete the DSER for WCAP-14756 as follows: about 50 percent of both \$4,000 for contractor work and 100 staff-hours to complete the DSER would be charged to the WOG, with a projected completion date of November 22, 2000. WOG requested that the staff resume work to complete the review of WCAP-14756. The staff also estimated that final safety evaluation reports (FSERs) for WCAP-14422, WCAP-14574 and WCAP-14575 could be completed by November 9, 2000, with a combined fee of about 50 percent of 120 staff-hours. WOG proposed to submit a draft revised GTR for WCAP-14577 on October 10, so that the staff could verify the appropriate information had been included in the revision to support a formal submittal of the revised GTR by October 20; we agreed to schedule a telephone conference to discuss the draft revision of the GTR as soon after receipt as practical and develop estimates of the effort and completion schedule shortly thereafter.

In a letter dated September 22, 2000, WOG formally requested that NRC prepare FSERs for WCAP-14422, WCAP-14574 and WCAP-14575, on the basis that the final GTRs will consist of the existing report with appended responses to our requests for additional information. The open items identified in the DSERs will become applicant action items. That work is underway, and we expect to complete that effort in accordance with the schedule and level of effort described above.

We believe that these actions and the commitments for future improvements in the planning and coordination of the review efforts for the WOG generic products resolves the concerns raised in your July 18, 2000 letter. Please contact me if you have any questions regarding this matter.

Sincerely,

/RA/

Christopher I. Grimes, Chief
License Renewal & Standardization Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Enclosure: As stated

cc w/encl: See next page

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Christopher I. Grimes, Chief
License Renewal & Standardization Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

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cc w/encl: See next page

C:\wogfee reply letter.wpd * See previous concurrence

OFFICE	LA	RLSB:PM	RLSB:BC	DE:DD	LFARB/DAF/CFO	DRIP:D
NAME	EHylton *	RKAnand *	CIGrimes *	RHWessman *	DBDandois *	DBMatthews
DATE	9/29/00	9/28/00	10/3/00	9/28/00	10/3/00	10/04/00

OFFICIAL RECORD COPY

WESTINGHOUSE OWNERS GROUP (WOG)
Project No. 686

cc:

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WOG GENERIC TECHNICAL REPORTS - FEE SUMMARY

WCAP	TITLE	WOG ^{Note 1}		NRC ^{Notes 2 & 3}				
		Dev Cost	NRC Fee	Total Hrs	Billed Hrs	Generic Hrs	%Billed	Contract
14422	RCS Supports	\$252,539	\$143,690	2287	705	1582	30.8	\$75,789
14574	Pressurizer	\$147,337	\$59,701	1138	492	646	43.2	
14575	Class 1 Piping	\$297,717	\$46,343	687	333	354	48.5	
14756	Containments	\$379,306	\$192,361	642	226	416	35.2	\$174,679 Note 4
14577	RV Internals	\$343,150	\$28,716	548	281	267	51.3	
Totals		\$1,420,049	\$470,811	5302	2037	3265	38.4	

1. WOG development costs and fee values from the 7/18/00 request for waiver reflect bills through 1st quarter 2000.
2. 9/7/96 letter from Scott Newberry, PDLR, to Thomas Greene, WOG, concluded request for fee waiver *meets the criteria delineated in 10CFR171.21 footnote 4, criterion 2 ... a partial fee waiver is granted for the remainder of the WCAP-14422 and WCAP-14574 review and any future license renewal GTRs ...*
3. Staff time for *Billed* hours and *Generic* hours are reported from FY 95 through August 2000.
4. Work on WCAP-14756 was stopped on 7/21/00 in accordance with the agreed action discussed with R. Newton. Upon review, BNL reported in a letter dated 7/28/00 that all of their time had been billed to WOG instead of split between fee recoverable and generic as instructed in the SOW. A correction will be completed by mid-October that will refund \$87,385, that should have been charged to generic TAC M97765.
5. The DSER for WCAP-14577 was issued on 9/8/00; that DSER includes an open item requiring that the GTR be revised which will require additional WOG effort to achieve a Final SER. Otherwise, the NRC staff believes FSERs can be developed with minimal effort by converting Open Items to Applicant Action Items. Estimate to completion \$6K and ½ x 24 hours (\$1728) for Containment DSER and ½ x 40 hours (5 X \$2880) to convert DSERs to FSERs.