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ADJUDICATIONS STAFF

Portland General Electric
Trojan Nuclear Plant
71760 Columbia River Hwy
Rainier, OR 97048

April 23, 2001

Secretary, U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001
ATTN: Rulemakings and Adjudications Staff

Comments on Proposed Fiscal Year (FY) 2001 Fee Rule

This letter transmits Portland General Electric's (PGE's) comments concerning the proposed revisions to license, inspection and annual fee schedules for FY 2001. The proposed rule was published in the Federal Register [66FR16981] on March 28, 2001.

The Nuclear Regulatory Commission (NRC) is required by the Omnibus Budget Reconciliation Act (OBRA) of 1990, as amended, to collect fees for its budget authority less the appropriations from the Nuclear Waste Fund and the General Fund. Congress reduced the amount of fees to be collected to address fairness and equity concerns related to charging NRC licensees for costs for which they receive no direct benefit. The reduction is being phased in at two percent per year from FY 2001 through FY 2005, with approximately 98 percent to be recovered in FY 2001.

In general, PGE believes that the Omnibus Budget Reconciliation Act of 1990, as amended, provides a reasonable approach towards achieving fairness and stability of fees in most areas. However, PGE believes that the proposed increase in annual fees for spent fuel storage/reactor decommissioning licensees is not equitable and places an undue burden on this particular class of licensees. While most reactor licensees will experience a decrease in their annual fees if this rule is implemented as proposed, spent fuel storage/reactor decommissioning licensees are expected to incur an additional \$66,000 for FY 2001, a 32 percent increase in a single year.

It is an undue burden for decommissioning plants to assume increases in annual fees as they do not generate revenue through the sale of electricity and do not have a guarantee of recovering additional costs by petitioning local public utility commissions. Additional costs must be assumed by existing plant decommissioning funds. These funds, which are gathered during the course of plant operation, are sufficient to cover incurred decommissioning expenses, but they are limited and must be committed to ensuring the health and safety of the plant personnel and the public during decommissioning activities. Increasing costs for decommissioning plants places undue budget constraints that could affect the resources available for performing plant decommissioning activities in a timely manner.

Template = SECY-067

SECY-02

April 23, 2001

Page 2 of 2

Since the NRC's recoverable budget is being reduced by two percent during FY 2001 and each of the following four years, achieving an equitable arrangement for this class of licensees should include as a minimum only incrementally increasing their annual fees by approximately six percent per year, corresponding with the NRC phased budget reduction. PGE believes that this approach is consistent with the intent of the Omnibus Budget Reconciliation Act of 1990, as amended.

PGE is opposed to the inequities created by the proposed revised annual fee schedules. The revised fee schedules place an inequitable and unfair burden on the spent fuel storage/reactor decommissioning class of licensees as compared to other classes of licensees. If you have any questions concerning these comments on the proposed FY 2001 fee rule, please contact me at (503) 556-7409.

Sincerely,

Lansing G. Dusek
Licensing Manager