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Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

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OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

ATTENTION: Rulemakings and Adjudication Staff

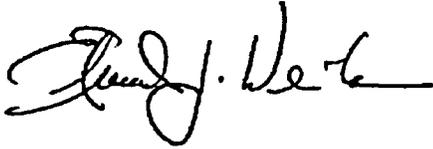
SUBJECT: Comments on "Proposed Rule: Revision of Fee Schedules; Fee Recovery for FY 2004" (69 FR 4865, February 2, 2004)

Nuclear Management Company (NMC), LLC * appreciates the opportunity to comment on the NRC's proposed rule, Revision of Fee Schedules; Fee Recovery for FY 2004. NMC wholly endorses the comments made by Mr. Stephen Floyd in the Nuclear Energy Institute's (NEI) letter to the Secretary, U.S. Nuclear Regulatory Commission (NRC), dated March 3, 2004. NMC acknowledges that the decision to not recover Homeland Security costs through the general treasury, as was done in 2002 and which continues to be done for other industries associated with the nation's critical infrastructure, did not rest with the NRC. However, the industry deserves assurances that the large increase in the Homeland Security budget is associated with the review of the new security plans required by the April 3, 2003, Order and does not represent a permanent increase in the budget.

As discussed in NEI's letter, the bulk of the budget does not contain sufficient detail to allow stakeholders to provide meaningful input. While the proposed budget includes \$51 million dollars for Homeland Security, which NMC assumes largely coincides with the budget for the Office of Nuclear Security and Incident Response, there is no corresponding breakdown for the other offices within the Commission.

NRC fees represent a nontrivial percentage of a nuclear station's annual operating budget. These fees place an even heavier burden, as a percentage of total plant operating and maintenance costs, on plants with comparatively smaller electrical output. NMC respectfully requests that NRC revisit the 10 CFR Part 171 fee assessment scheme that is currently based solely on being one of 103 reactor operating license holders. Alternatively, and more equitably, the 10 CFR Part 171 fee assessment scheme could be based on some or all of the provisions in Part 171.11 that describe the criteria for exempting the collection of fees (e.g., assessing a plant's 10 CFR Part 171 fee responsibility based on the plant's licensed thermal power fraction of the total licensed thermal power of all 103 reactors with operating licenses).

Thank you for the opportunity to submit comments on this subject.

A handwritten signature in black ink, appearing to read "Edward J. Weinkam". The signature is fluid and cursive, with a long horizontal stroke at the end.

Edward J. Weinkam
Director, Regulatory Services

* NMC is the licensed operator of the Duane Arnold Energy Center; Kewaunee Nuclear Power Plant; Monticello Nuclear Generating Plant; Palisades Nuclear Plant; Point Beach Nuclear Plant, Units 1 and 2; and Prairie Island Nuclear Generating Plant, Units 1 and 2.