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Vice President
Nuclear Operations

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OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

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

Subject: Proposed Rule: *Revision of Fee Schedules; Fee Recovery for FY 2004 (69 Federal Register 4865, February 2, 2004)*
R. E. Ginna Nuclear Power Plant
Docket No. 50-244

Reference: Letter from Stephen D. Floyd, Nuclear Energy Institute (NEI), to Secretary, USNRC, dated March 3, 2004

Gentlemen:

Rochester Gas and Electric Corporation (RG&E), license holder for the R.E. Ginna Nuclear Power Plant (or Ginna Station), would like to take this opportunity to endorse the Nuclear Energy Institute (NEI) letter referenced above with respect to the proposed NRC fee recovery for fiscal year 2004. In addition, RG&E would like to offer the following specific comments.

The proposed changes to 10 CFR Part 171 would increase the annual fees for Ginna Station from \$3,251,000 to \$3,342,000, an increase of \$91,000 or almost 3%. A large reason for the increase in annual fees is attributed to homeland security activities (\$51.1 million budgeted, an increase of \$15.7 million from 2003). It is both NEI's and RG&E's position that these costs should be funded through the general treasury as part of the nation's protection of critical infrastructure. Other industries within the United States are not burdened with these type of costs and neither should nuclear power plants.

Also, the NRC's total budget authority for fiscal year 2004 is \$626.1 million. This is an increase of \$41.5 million from 2003 and \$138.8 million since 2001. While the NRC's obligation to recover its budget authority through fees decreases each year by 2% of the total authority (the current recovery is 92%), the total budget increase has more than offset this decrease. Further, only 26% of the 2004 fiscal year budget is recovered under 10 CFR Part 170 as discrete fees. The remainder of the budget authority (74%) is obtained through annual fees to license holders like RG&E. It is inaccurate to assume that the large majority of these budget increases are not directly related to licensees and should therefore only be recovered through general annual fees. These costs should instead be allocated to the individual licensees to provide accountability of these activities.

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

Very truly yours,


Robert C. Mecredy

MDF/313

xc: The Honorable Charles E. Schumer
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The Honorable Hillary Rodham Clinton
United States Senate
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