June 18, 2004

Mr. James F. Mallay Framatome ANP B&W Owners Group 3315 Old Forest Road Lynchburg, VA 24051

Dear Mr. Mallay:

I am responding to your January 19, 2004, letter requesting a fee waiver under 10 CFR 170.11 for Babcock and Wilcox Owner Group's (B&WOG) Topical Report (TR) BAW-2441, Rev. 2, "Risk Informed Justification for LCO End-State Changes." For the reasons stated below, I am granting a fee waiver for the staff's review of TR BAW-2441 in accordance with the applicable provisions of 10 CFR 170.11.

During its acceptance review, the staff determined that the TR supports NRC's generic regulatory improvement program (i.e., risk informing certain portions of Technical Specifications) in accordance with 10 CFR 170.11(a)(1)(iii). Specifically, this TR will assist in the development of the NRC's Technical Specifications Task Force - 431 (TSTF-431), "B&W Modified End States." Furthermore, this TR document establishes a generic, consistent approach for participating licensees to address the employment of improved end-state conditions for limiting conditions for operation (LCOs).

If you have any questions, please contact Quynh Nguyen of my staff at 301-415-3373.

Sincerely,

/RA/

Jesse L. Funches Chief Financial Officer Mr. James F. Mallay Framatome ANP B&W Owners Group 3315 Old Forest Road Lynchburg, VA 24051

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