

Nuclear

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July 13, 1984

Office of the Executive Director
for Operations
Attn: Mr. W. J. Dircks
Executive Director
US Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Dircks:

Three Mile Island Nuclear Station, Unit 2 (TMI-2)
Operating License No. DPR-73
Docket No. 50-320
Licensing Fees

In accordance with 10 CFR S 170.11(b)(1), GPU Nuclear Corporation requests an exemption from the provisions of 10 CFR Part 170 as they apply to Three Mile Island Unit 2 (TMI-2). Licensee submits that, because of the unique circumstances at TMI-2 leading to increased licensing activity, 10 CFR Part 170 imposes an undue burden on Licensee and diverts funds that are sorely needed for a safe and expeditious cleanup of TMI-2. For that reason, it is both fair to Licensee and consistent with the public interest to grant the exemption.

Based on past licensing activity and assuming the NRC staff expends as few as six man-years on activities chargeable to the TMI-2 Recovery Program, the fees for those activities (i.e., based on the average cost per professional staff hour contained in Section 170.20) would approximate \$400,000 in CY 1984 and as much as \$800,000 per year thereafter. In addition, it is understood that TMI-2 would be liable for a fixed annual fee for routine inspections amounting to \$300,000 plus full-cost reimbursement for non-routine inspections. Thereafter, the

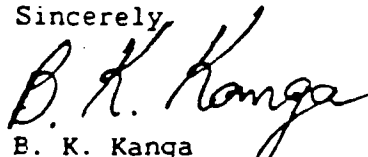
total cost may be as much as \$700,000 in CY 1984 and exceed \$1 million each year thereafter.

Exempting TMI-2 from application of 10 CFR Part 170 is indeed authorized: 10 CFR 170.12 states that "(t)he Commission may, upon application by an interested person...grant such exemptions from the requirements of this part as are authorized by law and are otherwise in the public interest." Title V of the Independent Offices Appropriation Act of 1952 provides that if an agency chooses to charge fees, they must be fair and based inter alia on the value of the service to the recipient and on the public policy or interest served. The inordinate fees that would be charged the TMI-2 Recovery Program do not bear a direct relation to the value of the service to Licensee.

Moreover, in view of recent expressions of concern by the Commission relating to the adequacy of funding and the current pace of TMI-2 recovery activities, imposition of substantially increased administrative fees for the NRC support of the recovery effort appears to be inconsistent with attaining the common objectives of a safe and expeditious cleanup of TMI-2. Exemption from the provisions of 10 CFR Part 170 would make additional funds, which otherwise would be necessarily diverted to fees, available for actual cleanup operations and would facilitate more expeditious accomplishment of cleanup, in a manner which best serves the public interest.

Your prompt consideration of this request will be greatly appreciated.

Sincerely,



B. K. Kanga
Director, TMI-2

BKK/jep

cc: Chairman - NRC, Mr. N. J. Palladino
Commissioner, Mr. J. K. Asselstine
Commissioner, Mr. F. M. Bernthal
Commissioner, Mr. T. M. Roberts
Commissioner, Mr. L. W. Zech, Jr.
Director - Office of Nuclear Reactor Regulation, Mr. H. R. Denton
Program Director - TMI Program Office, Dr. B. J. Snyder
Acting Deputy Program Director - TMI Program Office, Mr. P. J. Grant

bcc: President - GPU Nuclear Corporation, P. R. Clark
Executive Vice President - GPU Nuclear Corporation, E. E. Kintner
Deputy Director, TMI-2, J. J. Barton
Director, Licensing and Nuclear Safety, R. E. Rogan
Manager, TMI-2 Licensing, J. J. Byrne
Manager, Program Controls, L. G. Santee
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