

JAN 15 1992

Docket No. 50-263
Mr. Leon R. Eliason
Vice President - Nuclear Generation
Northern States Power Company
414 Nicollet Mall
Minneapolis, Minnesota 55401

Dear Mr. Eliason:

In letters dated August 29, 1991, the NRC granted exemptions from the topical report requirements of 10 CFR 170 for the staff's review of those reports associated with the development of license renewal methods. These reviews generically support the NRC's regulatory improvement efforts for all commercial power reactors. Accordingly, the resources expended for these reviews will be included in the annual fees assessed for all operating power reactors pursuant to 10 CFR 171.

When this regulatory improvement effort nears completion, voluntary "lead plants" will implement the license renewal methods for their specific plant and will also help to identify areas where further clarification or corrections are warranted. The NRC expects that much of the effort associated with implementation will be plant-specific; however, it is recognized that some of that effort, by design, will primarily support additional generic regulatory improvements.

Since you have volunteered to be a "lead plant," we wish to clarify how fees will be assessed for these reviews. Applications for license amendments and other NRC approvals that are involved with the implementation of license renewal methods will be processed like all other licensing actions and will be billed to your company pursuant to 10 CFR 170. The NRC will identify those portions of the reviews whose primary purpose is to support the NRC's regulatory improvements and are generic in nature. These costs will be tracked separately and will not be included in the plant-specific licensing actions billed pursuant to 10 CFR 170. Since these portions of the reviews are generic in nature, resources budgeted for these reviews will be included in the fee base for the annual fees assessed to power reactors pursuant to 10 CFR 171.

Sincerely,

/s/ Ronald M. Scroggins
Ronald M. Scroggins
Acting Deputy Chief Financial Officer
Controller