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JAN 17 1985

Docket Nos. 50-390
and 50-391

Tennessee Valley Authority
ATTN: Mr. H. G. Parris
Manager of Power
500A Chestnut Street, Tower II
Chattanooga, Tennessee 37401

Gentlemen:

As you are aware, 10 CFR 170 of the Commission's regulations for license and inspection fees was revised effective June 20, 1984. Section 170.12(b) of the revised rule provides that for applications for permits, licenses, facility reference design approvals, and special projects which have been on file with the Commission for review for six months or longer, the first bill for accumulated review costs would be sent to the applicant at the time the rule becomes effective and thereafter at six-month intervals or when the review is completed, whichever is earlier. The first bill for the operating license (OL) review will include applicable professional staff review time expended through June 23, 1984, and contractual support services expended to May 31, 1984. Subsequent bills covering six-month reviews will be issued approximately ninety days after the end of each six-month period which closes in December and June of each year.

Consistent with the requirements of 10 CFR 170.12(b), we have completed the cost analysis for the Watts Bar 1 OL application review for the period specified above. The cost through that period for Watts Bar 1 is \$3,324,761. The cost of the OL review through June 23, 1984 exceeds the maximum fee of \$3,077,400 as stated in 10 CFR 170.21. Accordingly, \$3,077,400 is the maximum amount that may be assessed for the OL review under 10 CFR 170 as revised June 20, 1984. The Office of Resource Management has been notified to bill your Company \$3,077,400 for Watts Bar 1. When making payment, please make reference to the invoice number on your bill.

Enclosed is a copy of the revision to Part 170 as sent to all applicants and licensees on May 24, 1984.

Sincerely,

Original Signed By
Wm. O. Miller

William O. Miller, Chief
License Fee Management Branch
Office of Administration

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A PDR

OFFICE				LFMB:ADM	LFMB:ADM	LFMB:ADM
SURNAME	Enclosure:			CJHolloway:eb	RMDiggs	WOMiller
DATE	Revision to Part 170 w/Notice of 5/24/84			1/14/85	1/15/85	1/15/85