March 6, 2008

TSTF-08-03
PROJ0753

U. S. Nuclear Regulatory Commission
Attn: Chief Financial Officer
Washington, DC 20555-0001

SUBJECT: NRC Review Fee Billing for TSTF-501, Revision 0, "Relocate Stored Fuel Oil and Lube Oil Volume Values to Licensee Control"

REFERENCE: Letter from TSTF to NRC, "TSTF-501, Revision 0, 'Relocate Stored Fuel Oil and Lube Oil Volume Values to Licensee Control'," dated July 20, 2007.

Dear Sir or Madam:

In the referenced letter, the TSTF submitted TSTF-501, Revision 0, "Relocate Stored Fuel Oil and Lube Oil Volume Values to Licensee Control" for NRC review. The TSTF did not originally request a fee exemption for this traveler, but after further consideration and discussions with the NRC staff, the TSTF requests that TSTF-501 be granted a full or partial review fee waiver under the provisions of 10 CFR 170.11.

In 2004, the U.S. Environmental Protection Agency (EPA) finalized the Clean Nonroad Diesel Rule, with more stringent standards for new diesel engines and fuels (See NRC Information Notice 2006-22, "New Ultra-Low-Sulfur Diesel Fuel Oil Could Adversely Impact Diesel Engine Performance," October 12, 2006.) The EPA rules require a reduction in the sulfur content of highway diesel fuel to Ultra Low Sulfur Diesel or ULSD. Although the EPA requirements for the ULSD do not take effect until 2010 for nonroad diesel fuel, several nuclear power plant licensees have received shipments of ULSD. The California Air Resources Board regulations required that all California users of diesel fuel oil transition to ULSD fuel oil by June 1, 2006.

In general, the processing required to reduce sulfur in ULSD also reduces the volumetric energy content of diesel fuel (BTU/gallon). The reduced energy capacity of the ULSD may result in increased fuel consumption such that the Technical Specification limit on diesel fuel oil storage level in plant Technical Specifications would need to be increased to ensure that the diesel generator can operate for the period of time required by the plant's licensing basis (typically 7 days). Therefore, it is anticipated that most nuclear plant licensees will be required to submit a license amendment request to revise the required amount of stored diesel fuel oil.

TSTF-501 was written to facilitate these required, plant-specific amendments. Specifically, TSTF-501 replaces the required volume of diesel fuel oil with a requirement on the number of operating days of diesel fuel oil that is required to be stored. Plants will need to submit a license

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amendment to adopt TSTF-501, but adoption of the changes in TSTF-501 under the Consolidated Line Item Improvement Process will require substantially less NRC resources than processing plant-specific amendments and will eliminate the expenditure of future NRC resources should there be a change in the diesel fuel oil volume corresponding to the licensing basis storage requirement.

10 CFR 170.11(a)(1)(A)(C) states that fees will not be waived for reports or requests that are not submitted specifically for the purpose of supporting the NRC's generic regulatory improvements or efforts, because the primary beneficiary of the NRC's review and approval of such documents is the requesting organization. TSTF-501 was not submitted to benefit licensees. Licensees must comply with the EPA mandated change. The amount of stored fuel oil that will be required by the Technical Specifications is independent of whether the requirement is stated in gallons or days of diesel operation. However, if the NRC approves TSTF-501 under the Consolidated Line Item Improvement Process, it will significantly reduce the NRC resources required to process the anticipated large number license amendment requests. This provides a safety benefit to the NRC because such changes will not alter the licensing basis requirements on diesel fuel oil storage, and will expend NRC resources with no corresponding benefit to plant safety. Thus TSTF-501 supports NRC's development of generic STS guidance and supports regulatory improvements consistent with NRC goals of ensuring that NRC actions are effective, efficient, realistic, and timely.

We request that the NRC grant a exemption, in whole or in part, for the NRC review fees for TSTF-501 under 10 CFR 170.11(b)(1), which states, "The Commission may, upon application by an interested person, or upon its own initiative, grant such exemptions from the requirements of this part as it determines are authorized by law and are otherwise in the public interest." Granting an exception to the fee requirements in 10 CFR 170 are authorized by law, in that there is no specific legal mandate contravening the NRC's authority under 10 CFR 170 in this matter. Granting a fee exemption for TSTF-501 is in the public interest because it encourages licensees to adopt TSTF-501, thereby eliminating the need to expend unnecessary NRC resources to review plant-specific license amendments on this subject with no corresponding safety benefit to the public.

Should you have any questions, please do not hesitate to contact us.

Bert Yates (PWROG/W)

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Reene' Gambrell (PWROG/B&W)

cc: Gerald Waig, Technical Specifications Branch, NRC
Matthew Hamm, Technical Specifications Branch, NRC