



U.S. NRC

UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

NEI Licensing Forum: Importance of Licensing Forecast to NRC Planning, Budget and Fees

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OBJECTIVE

Enhance awareness of the importance of licensing forecasts to NRC and Industry.
Update Industry on information to assist in projecting fees.

Key Topics Discussed:

- Importance of licensing forecast in workload planning, budgeting and fees
- Process and key milestones
- Updates to fee projection algorithm

IMPORTANCE OF LICENSING FORECAST

- Important in the planning of a large portion of NRC's work activities (Timing, sequencing and scope of work, skill requirements, and organizational coordination).
- Foundation for basis and certainty NRC assigns to Key Planning Assumptions and Major Program Outputs as part of the budget process.
 - Key Planning Assumptions – key external and internal influences that will significantly affect the agency's work activities and resource requirements.
 - Assigned high, medium and low uncertainty levels based on strong, some or little/no indication assumption will change.
 - Major Program outputs – most important tangible products/ services in a program related to a key planning assumption.
 - Commission direction, the Strategic Plan and these guide budget development.

IMPORTANCE OF LICENSING FORECAST (Continued)

- Helps NRC justify and ensure sufficient resources are approved by OMB and Congress.
- Industry forecasts ultimately affect the budget and fees.

PROCESS AND KEY MILESTONES

Budget – FY 2009 Request, FY 2008 Current Estimate

- Identify Key Planning Assumptions and Major Program Outputs
Nov - Dec 06
- Guidance/Program Priorities
Dec 06 – Jan 07
- Office/Program Budgets Developed
Mar – May 07
- Commission Review and Approval
Jun - Jul 07
- OMB Review
Sep – Nov 07
- Submission to Congress
Feb 08

PROCESS AND KEY MILESTONES (Continued)

FY 2008 Fee Rule

- Fee calculations completed (House passed version
Dec 07
- Proposed fee rule published
Feb 08
- 30 Day public comment period
Mar 08
- Final fee rule published
Jun 08
- Final Rule effective
Aug 08

HISTORICAL DATA FOR CALCULATION OF PROJECTED FEES FOR REACTORS

		FY 2004		FY 2005		FY 2006		FY 2007	
		(\$ M)	%						
Total Adjusted Fees to be Recovered		\$539.80		\$538.00		\$624.90		\$670.50	
	Operating Power Reactor Fees (Includes <i>Spent Fuel Storage/Reactors in Decommissioning</i> fee charged to the Operating Reactors)	\$469.94	87.1%	\$463.37	86.1%	\$545.27	87.3%	\$604.93	90.2%
Distribution of Reactor Fees between Parts 170 and 171									
	Operating Power Reactor Fees (Includes <i>Spent Fuel Storage/Reactors in Decommissioning</i> related charges to the Operating Reactors) - Part 170		27.3%		29.2%		29.4%		30.5%
	Operating Power Reactor Fees (Includes <i>Spent Fuel Storage/Reactors in Decommissioning</i> fee charged to the Operating Reactors) - Part 171		72.7%		70.8%		70.6%		69.5%

UPDATES TO FEE PROJECTION ALGORITHM

- **Calculate total NRC fee recovery**
 - [Total Budget Authority (including OIG) – Nuclear Waste Fund – Waste Incidental to Reprocessing – Generic Homeland Security – Global Nuclear Energy Partnership] X 90%
 - This data is provided in NRC's budget request to Congress ("Green Book"). Usually last page of Executive Summary shows this information.
- **Estimate total fee recovery for reactors**
 - Based on past fee rules approximately 86-87% of total fee recovery would be assessed to reactors.
 - **RECOMMENDATION:** Update to 90% based on latest data available.
- **Estimate Part 170 vs. 171 fee split**
 - Part 170 fees are fees assessed based on an hourly rate for specific services provided to identifiable beneficiaries; Part 171 fees are annual fees.
 - Based on past fee rules, assume approximately 27% - 29% of the total fee recovery from reactors is from Part 170, 73% - 71% from Part 171.
 - **RECOMMENDATION:** Update split between part 170/171 to 30%/70%, based on latest data available.
 - NRC will monitor the sensitivity of this ratio to specific reactor workload fluctuations and will advise if there are significant changes.
- **Estimate annual fee amount per reactor license**
 - Divide the estimated Part 171 fee recovery (from step 3) from reactors by the number of reactor licensees (104).