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Secretary, U.S. Nuclear Regulatory Commission
ATTN: Rulemakings and Adjudications Staff
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OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

Comments - Advance Notice of Proposed Rulemaking: Variable Annual Fee
Structure for Power Reactors

Northern States Power Company, a Minnesota Corporation (NSPM) appreciates the opportunity to comment on the advance notice of proposed rulemaking regarding "Variable Annual Fee Structure for Power Reactors."

The Nuclear Regulatory Commission (NRC) has, in the past, reviewed and revised the process by which reactor fees are determined. We recognize that the ANPR is the first step in the process of assessing whether the current fee structure is appropriate, especially taking into consideration the future development of smaller reactors. NSPM provides its comments to the NRC's six questions below.

Q1: In general, NSPM endorses the concept of considering reactor power limits when determining the appropriate annual fees. Reactors producing energy, whether process heat or electricity, should be considered similar with respect to fees. The fundamental principle of equity includes the concept of benefit; that is, the benefit a smaller reactor gains due to generic NRC staff work is clearly less than the benefit for a large reactor. If costs are the same for each reactor, then equity is not being preserved.

Q2: If the NRC were to establish a variable annual fee structure, one approach would be to categorize the reactors into five groups, based on power level:

1. 3600 MWt or greater
2. Greater than 3000 MWt but less than 3600 MWt
3. Greater than 2400 MWt but less than 3000 MWt
4. Greater than 1800 MWt but less than 2400 MWt
5. Less than 1800 MWt

The fees should not directly correlate to reactor power; in order to preserve equity, the smaller reactors should bear a larger proportion of the fees (per megawatt) than the larger reactors. The basis for this recommendation is that category 5 and some category 4 reactors will almost exclusively involve new technology. The technology associated with the newer reactors will likely necessitate fees that may appear to be disproportionately large (per megawatt) for reactors in those categories; however, the newer reactors are likely to require greater NRC involvement. This conclusion is based on the NRC's experience with the current fleet of nuclear plants, in that in the earlier life of the current plants, the NRC did, in fact, expend greater resources in funding research.

Q3/Q4/Q5: Potential configurations should be considered in the sense that the term "reactor" should be expanded to include multiple co-located reactors (modules), supplying the same offsite power lines or heat loads. Where the only commonality of two or more reactors is that they supply the same offsite power lines, they should be considered as separate reactors. The categorization should be the same or similar to the breakdown described above (Q2).

Q6: The main factors to be considered in determining annual fees have been identified.

A handwritten signature in black ink, appearing to read "Dennis L. Koehl". The signature is fluid and cursive, with the first name "Dennis" being more legible than the last name "Koehl".

Dennis L. Koehl
Vice President and Chief Nuclear Officer
Northern States Power Company-Minnesota