



# **FY 2009 FEE FOR FUEL CYCLE FACILITIES**

**FCIX 2009**

**June 23-25, 2009**



## **AGENDA**

- **Laws Governing NRC Fees**
- **NRC Budget Formulation Process**
- **Fee Process**
  - **Fee Rule Milestones**
  - **Fee Determination Methodology**
  - **Calculation of FY 2009 Fee for Fuel Facilities**
  - **History of Fuel Facility Fees**

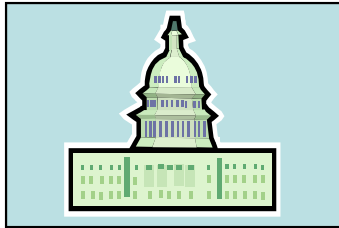


## **LAWS GOVERNING NRC FEES**

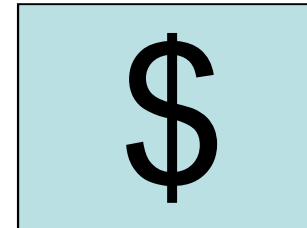
- **Independent Offices Appropriation Act (IOAA)**
  - **NRC is Authorized to Charge Fees for Services**
  - **Fee is Billed as Hours Expended Times NRC Professional Hourly Rate**
  
- **Omnibus Budget Reconciliation Act (OBRA-90), as Amended**
  - **NRC is Required to Recover Approximately 90 Percent of Its Budget**
  - **Annual Charges Reflect the Budgeted Costs of Providing Services to Licensees or Classes of Licensees**
  - **NRC Recovers Through Annual Fees the Budget Not Recovered Through Fees for Services under IOAA**

## ANNUAL FEE CYCLE

**Congress**



**Treasury**



Congress Gives NRC  
Its Budget

Establishes Laws  
About Fee Collection



NRC Sends Fee  
Collections to  
Treasury



**NRC**



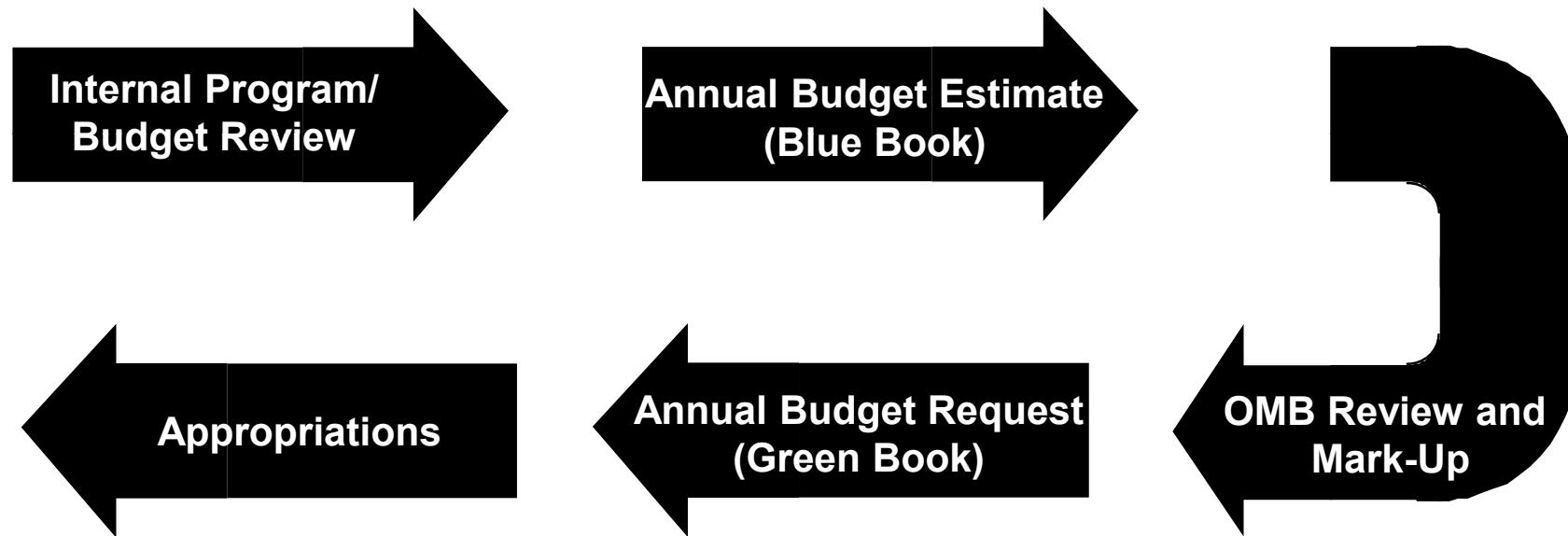
**NRC Applicants  
and Licensees**



NRC Assesses and  
Collects Fees



## NRC BUDGET FORMULATION PROCESS





## **FEE RULE MILESTONES**

### **FY 2009 Fee Rule:**

<b>Preliminary Fee Calculations Completed</b>	<b>Dec 2008</b>
<b>Proposed Fee Rule Published</b>	<b>Mar 2009</b>
<b>30 Day Public Comment Period Ended</b>	<b>Apr 2009</b>
<b>Final Fee Rule Published</b>	<b>Jun 2009</b>
<b>Final Rule Effective</b>	<b>Aug 2009<sup>1</sup></b>


<sup>1</sup> The prior year's (FY 2008) Hourly Rate will be used to bill fee for service charges for most of FY 2009, (Oct thru' July). The annual fee, invoice will be adjusted in the last quarter to ensure NRC recovers 90% of its budget authority by September 30, 2009

## **FEE DETERMINATION METHODOLOGY**

- **Fees Determined Each Year Based on Annual Budget Signed by the President**
- **Part 170 Hourly Rate for Fees for Services Based on Employee Budgeted Costs**
- **Part 171 Annual Fees Based on Total Budgeted Costs for the Class of License, Less Estimated Revenue from Part 170 Fees for Services**
- **Fee Determination Process**
  - Step 1: Calculate the Fee Recoverable Amount**
  - Step 2: Calculate the Hourly Rate (10 CFR 170)**
  - Step 3: Calculate the Annual Fees (10 CFR 171)**

**FY 2009**

**STEP 1: CALCULATE FEE RECOVERABLE AMOUNT**

		<u>FY 2009</u>
<b>Total Budget Authority (including OIG)</b>		<b>\$1,045.5M<sup>1</sup></b>
<b>Less, Nuclear Waste Fund</b>		<b>– \$49.0M</b>
<b>Waste Incidental to Reprocessing</b>		<b>– \$ 2.0M</b>
<b>Generic Homeland Security</b>		<b>– <u>\$27.1M</u></b>
<b>Subtotal</b>		<b>\$967.4M</b>
<b>Total Amount to be Recovered @ 90%</b>		<b>\$870.6M</b>
		
	<u>Fuel Facilities <sup>2</sup></u>	<u>Others<sup>2</sup></u>
<b>Total Fees to be Collected</b>	<b>\$45.0M</b>	<b>\$821.5M</b>
	<b>(5%)</b>	<b>(95%)</b>

<sup>1</sup>The NRC annual budget authority signed by the President does not always match the NRC’s budget request to Congress (“Green Book”). For example, the FY 2009 Green Book amounts for Budget Authority and Total Amount to be Recovered were \$1,017M and \$855.5M, respectively.

<sup>2</sup>The Total Amount to be Recovered is further adjusted for estimated unpaid invoices to compute Fees to be Collected (\$870.6M, less \$4.1M adjustment)





**FY 2009**  
**STEP 2: CALCULATE FY 2009 HOURLY RATE**

	<u><b>FY 2009</b></u>
<b>Mission Direct Program Salaries and Benefits</b>	<b>\$322.0M</b>
<b>Mission Indirect Salaries and Benefits and Contract Activity</b>	<b>\$129.2M</b>
<b>Agency Management and Support, and IG</b>	<b><u>\$316.5M</u></b>
<b>Total Budget Included in the Hourly Rate</b>	<b>\$767.7M</b>
<b>Mission Direct FTEs</b>	<b>2,180</b>
<b>Budgeted FTE Rate per Direct FTE per Hour</b>	<b>\$257 per Hour</b>
<b>(Total Budget Included in the Hourly Rate</b>	
<b>÷ (Mission Direct FTE × 1,371 Annual Direct Hours Per FTE)</b>	

## HISTORY OF ANNUAL DIRECT HOURS PER FTE

**Annual Direct Hours Per Full-Time Equivalent (FTE) Reflects the Time Expended by NRC Staff Performing Activities Directly Associated With Programmatic Mission of the NRC**

**Estimate of the Direct Hours Based on NRC's Time and Labor Data for a Prior Year**

<b>FISCAL YEAR</b>	<b>FEE RECOVERABLE BUDGET</b>	<b>BUDGET INCLUDED IN THE HOURLY RATE CALCULATION</b>	<b>DIRECT HOURS PER FTE</b>	<b>MATERIALS HOURLY RATE</b>
2005	\$540.7M	\$441.8M (Materials \$87.9M)	1,446 hours	\$197 per hour
2006	\$624.0M	\$509.2M (Materials \$93.1M)	1,446 hours	\$214 per hour
2007	\$669.2M	\$603.6M	1,287 hours	\$258 per hour (one rate)
2008	\$779.1M	\$679.5M	1,371 hours	\$238 per hour (one rate)
2009	\$870.6M	\$767.7M	1,371 hours	\$257 per hour (one rate)

**FY 2009**

**STEP 3: CALCULATE ANNUAL FEES FOR FUEL FACILITIES**

	<u><b>FY 2009</b></u>
<b>Total Budgeted Fuel Facilities' Resources</b>	<b>\$44.6M</b>
<b>Add, 10% Fee-Relief and Low-Level Waste surcharge</b>	<b>\$0.2M</b>
<b>Adjustments</b>	<u><b>\$0.2M</b></u>
<b>Recoverable Amount from Fuel Facilities</b>	<b>\$45.0M</b>
<b>Less: Part 170 Revenue Estimate</b>	<u><b>-\$22.0M</b></u>
<b>Total Required Annual Fee Recovery</b>	<b>\$23.0M</b>

**Note: The total required annual fee recovery amount is allocated to the individual fuel facility licensees based on the effort/fee determination matrix**

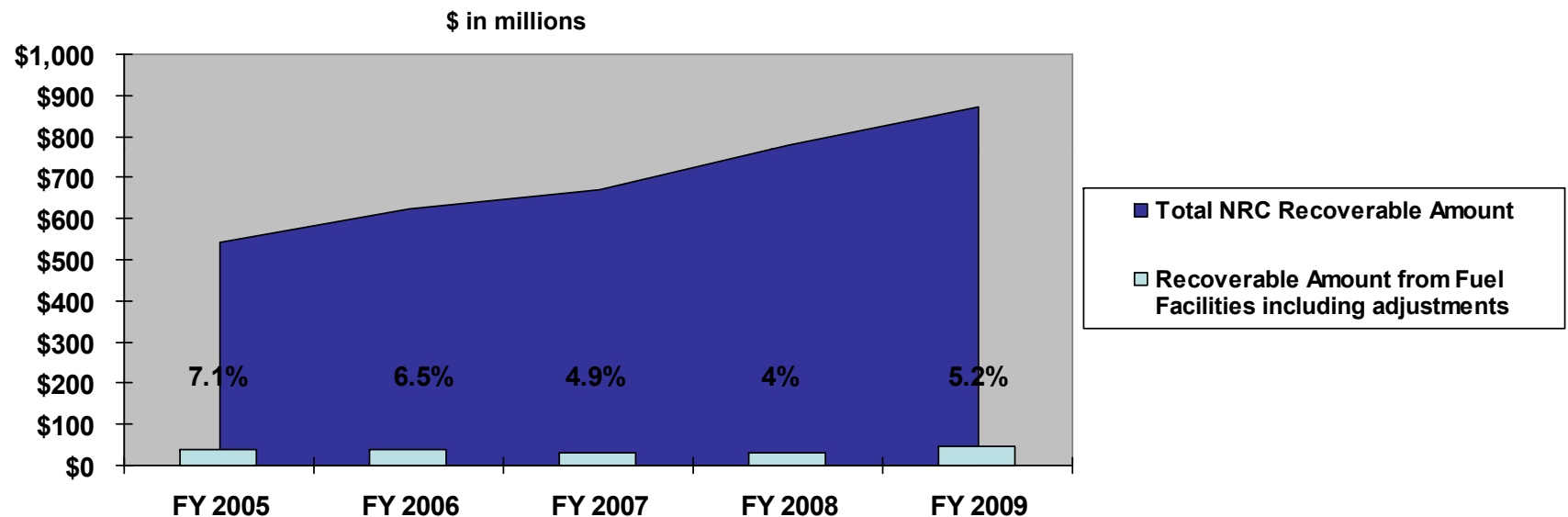
**FY 2009**

**FUEL FACILITIES EFFORT/FEE DETERMINATION MATRIX**

Fee Category	# of Licensees	Budget Allocation for Safety (\$M)	Budget Allocation for Safeguards (\$M)	Total Allocation (\$M)	Total Allocation (%)	Budget Allocation for Surcharge (\$M)	Annual Fee Per Licensee (\$M) [Total budget divided by # of Licensees]
High Enriched Uranium Fuel	2	\$4.4	\$4.9	\$9.3	40.8%	\$0.1	\$4.691
Uranium Enrichment	2	\$3.5	\$2.1	\$5.6	24.4%	\$0.0	\$2.804
Low Enriched Uranium Fuel	3	\$3.6	\$1.3	\$4.9	21.5%	\$0.0	\$1.649
UF6 Conversion	1	\$0.6	\$0.4	\$1.0	4.2%	\$0.0	\$0.969
Limited Operations	1	\$0.6	\$0.2	\$0.8	3.3%	\$0.0	\$0.765
Gas Centrifuge Enrichment Demonstration	1	\$0.1	\$0.8	\$0.9	4.0%	\$0.0	\$0.918
Hot Cell	1	\$0.3	\$0.1	\$0.4	1.8%	\$0.0	\$0.408
<b>TOTAL</b>	<b>11</b>	<b>\$13.1</b>	<b>\$9.8</b>	<b>\$22.9</b>	<b>100%</b>	<b>\$0.1</b>	<b>NA</b>

## HISTORY OF TOTAL FEES

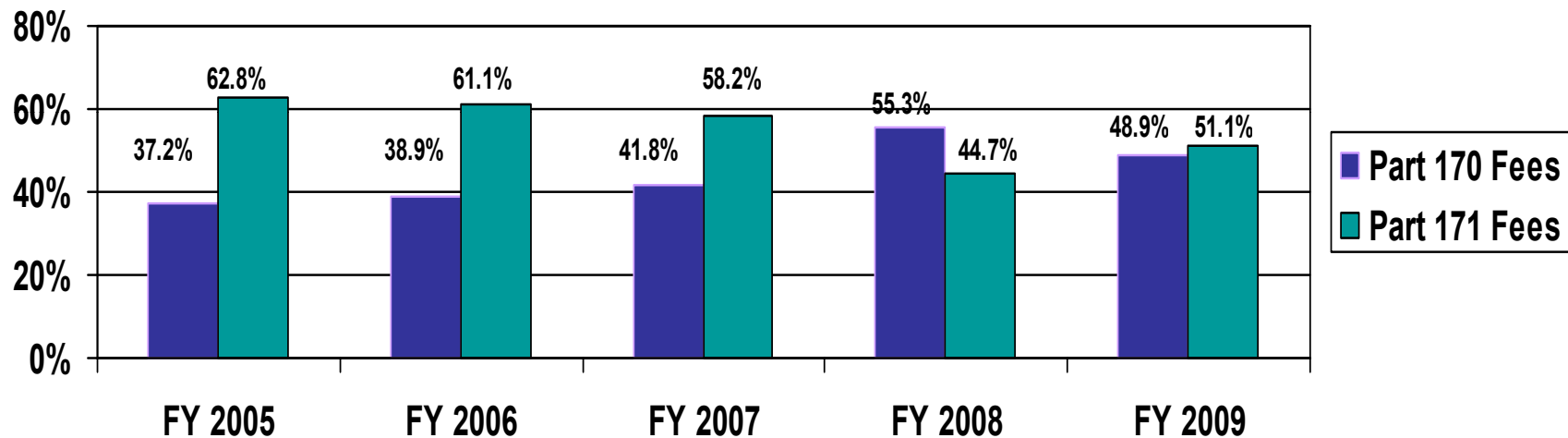
### Recoverable Amount from Fuel Facilities As a Percentage of Total NRC Recoverable Amount



**Note:** For FY 2009, Recoverable Amount from Fuel Facilities increased by \$0.4M for adjustments related to low-level waste surcharge, and allocated transportation.

## HISTORICAL DISTRIBUTION OF FUEL FACILITY FEES

### Part 170 and Part 171 Fees



**Note:** For FY 2009, of the Recoverable Amount from Fuel Facilities, Part 170 fees was \$22.0M (48.9%) and Part 171 fees was \$23.0M (51.1%).

## HISTORY OF ANNUAL FEE FOR FUEL FACILITIES

Fee Category	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009 Effective 8/10/09
High Enriched Uranium Fuel 1.A.(1)(a)	\$5,449,000	\$5,420,000	\$4,096,000	\$3,007,000	\$4,691,000
Uranium Enrichment 1.E.	\$3,031,000	\$3,027,000	\$2,347,000	\$1,705,000	\$2,804,000
Low Enriched Uranium Fuel 1.A.(1)(b)	\$1,632,000	\$1,596,000	\$1,237,000	\$899,000	\$1,649,000
UF6 Conversion 2.A.(1)	\$699,000	\$1,046,000	\$811,000	\$589,000	\$969,000
Limited Operations 1.A.(2)(a)	\$641,000	\$605,000	\$469,000	\$341,000	\$765,000
Gas Centrifuge Enrichment Demonstration 1.A.(2)(b)	\$466,000	\$991,000	\$768,000	\$558,000	\$918,000
Hot Cell (and others) 1.A.(2)(c)	\$466,000	\$440,000	\$341,000	\$248,000	\$408,000