



CHIEF FINANCIAL OFFICER

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

June 4, 2014

Mr. Tim A. Christman
Manager, Advanced Programs
GE Hitachi Nuclear Energy
6705 Vallecitos Road
Sunol, CA 94586

Dear Mr. Christman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am writing in response to your letter of March 25, 2014, (ML14085A128) requesting reclassification of the Vallecitos Nuclear Center. Specifically, your letter requests a reclassification from Title 10 of the Code of Federal Regulations (10 CFR), Part 171.16(1)(A)(2)(c) to 10 CFR 170.31(1)(D).

The NRC is required by the Omnibus Budget Reconciliation Act of 1990 (OBRA-90) to collect approximately ninety (90) percent of its budget authority from applicants and licensees. As a result, the NRC charges both licensing fees and annual fees. These fee regulations can be found in 10 CFR 170 and 171, respectively. These fees are not mutually exclusive of each other. Rather, the NRC charges the fees contained in 10 CFR 170 for the rendering of licensee or applicant specific work. The annual fees are then calculated by subtracting the amount received from the Part 170 fees from the total budget authority and allocating the remainder equitably among licensees. Thus, licensees might be charged both Part 170 and 171 fees in any given fiscal year.

With regard to your request for reclassification, the NRC's technical staff is currently conducting their comprehensive review. You will be notified of the results upon completion of this review. If the technical staff determines your licensee merits reclassification, then your annual fee would be prorated by the number of days the fee category was in effect. If the new fee category is over \$100,000, we would bill based on the number of days left in the fiscal year. If the new fee category is less than \$100,000, we would not bill until the next fiscal year.

Please contact Mr. Alexander S. Balkin, of my staff, at (301) 415-5835, for any fee-related questions, or Mr. William Blaney, of my staff, at (301) 415-5092, concerning invoice questions.

Sincerely,

/RA/

Mary C. Muessle
Acting Chief Financial Officer

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With regard to your request for reclassification, the NRC's technical staff is currently conducting their comprehensive review. You will be notified of the results upon completion of this review. If the technical staff determines your licensee merits reclassification, then your annual fee would be prorated by the number of days the fee category was in effect. If the new fee category is over \$100,000, we would bill based on the number of days left in the fiscal year. If the new fee category is less than \$100,000, we would not bill until the next fiscal year.

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Mary C. Muessle
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