



CHIEF FINANCIAL
OFFICER

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

December 11, 2017

Mr. Norman J. Stringfellow
Chief Operating Officer and Chairman
PWR Owners Group
Program Management Office
1000 Westinghouse Drive
Cranberry Township, PA 16066

Dear Mr. Stringfellow:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter dated September 7, 2017, (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17263A839). In your letter, you disputed the denial of a fee waiver under Title 10 of the *Code of Federal Regulations* (10 CFR) Sections 170.11(a)(1)(ii) and 170.11(a)(12). The fee waiver you sought applied to your submission, for NRC review and approval, of topical report PWROG-16043-P, Revision 2, "PWROG Program to Address NRC Information Notice 2012-09: 'Irradiation Effects on Fuel Assembly Spacer Grid Crush Strength' for Westinghouse and CE PWR Fuel Designs," dated January 2017.

The NRC has established regulations for the granting of fee exemptions under 10 CFR 170.11, "Exemptions," for which licensees may apply in accordance with 10 CFR 170.5, "Communications." The NRC staff has reviewed your request based on the following regulations, 10 CFR 170.11 (a)(1)(ii), 10 CFR 170.11 (a)(12), and 10 CFR 170.11(a)(13):

10 CFR 170.11(a) No application fees, license fees, renewal fee, inspection fees, or special project fees shall be required for: (1) A special project that is a request/report submitted to the NRC— (ii) When the NRC, at the time the request/report is submitted, plans to use the information in response to an NRC request from the Office Director level or above to resolve an identified safety, safeguards, or environmental issue, or to assist the NRC in generic regulatory improvements or efforts (e.g., rules, regulatory guides, regulations, policy statements, generic letters, or bulletins).

10 CFR 170.11(a) No application fees, license fees, renewal fee, inspection fees, or special project fees shall be required for: (12) A performance assessment or evaluation for which the licensee volunteers at the NRC's request and which is selected by the NRC.

10 CFR 170.11(a)(13) All fee exemption requests must be submitted in writing to the Chief Financial Officer in accordance with § 170.5,¹ and the Chief Financial Officer will grant or deny such requests in writing.

¹ 10 CFR 170.5 provides that "All communications concerning the regulations in this part should be addressed to the NRC's Chief Financial Officer, either by mail to the U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; by hand delivery to the NRC's offices at 11555 Rockville Pike, Rockville, Maryland; or, where practicable, by electronic submission, for example, via Electronic Information Exchange, or CD-ROM."

In my letter, dated July 27, 2017, I explained that the NRC staff was denying your fee waiver request because:

[T]he report presents a Westinghouse-specific methodology for addressing irradiation effects on fuel mechanical seismic/loss of coolant accident design analyses. The PWROG-16043-P, Revision 2 report is Westinghouse proprietary, which highlights that it is not a generic industry response to a NRC request. The PWROG-16043-P, Revision 2 is an alternate method to meet the issues identified within Information Notice (IN) 2012-09 and is under staff review.

For these reasons, the NRC staff concluded that your report did not satisfy the criteria for granting a fee waiver.

The NRC staff have reviewed your letter disputing our denial of a fee waiver. We continue to find that a full fee waiver is not supported because a significant part of PWROG-16043-P, Revision 2, describes a new methodology to credit flowing water to dampen fuel assembly vibration during seismic and loss-of-coolant-accident events. Flowing water dampening is a separate phenomenon from the reduction in fuel assembly stiffness resulting from the operating experience identified in IN 2012-09. Therefore, the intent of this methodology is to provide licensees with a means to recover margin rather than to directly support resolution of the issues in IN 2012-09. As such, the criteria is not met for a full fee waiver as a generic industry response.

However, it was determined that approximately 50 percent of the effort to review this topical report will focus on the section that supplements the existing testing and analysis methodologies to capture the impact of grid spacer spring relaxation at the end-of-life (EOL). The proposed supplemental information is solely intended for the purpose of extending the existing methodology to address EOL grid spacer spring relaxation, with no new methodologies or credit being proposed beyond that necessary to do so. This portion of the topical report would provide a ready generic solution for licensees utilizing Westinghouse Electric Company or ABB fuel, and would lead to a more efficient approach for addressing this issue than to review plant-specific dispositions to the same question. For these reasons, this portion of the topical report would help resolve a generic issue and provide input for the development of improved guidance. As such, there is partial support for a conclusion that this topical report will assist the NRC in a generic regulatory improvement.

In sum, NRC staff concludes that PWROG-16043-P, Revision 2, does not meet the criteria for a full fee waiver under 10 CFR 170.11(a)(1)(ii). However, a 50-percent fee waiver is warranted, because approximately half of the NRC staff's effort in reviewing this report will involve a section that meets the fee-waiver criteria. Accordingly, your fee waiver request is approved in part.

If you have any technical questions regarding this matter, please contact Mr. Paul Clifford at 301-415-4043. Please contact Ms. Ruthanne Murray, of my staff, at 301-415-1215 for any fee-related questions.

Sincerely,

/RA/

Maureen E. Wylie
Chief Financial Officer

SUBJECT: LETTER TO NORMAN J. STRINGFELLOW, PWROG OWNERS GROUP RE:
 RESPONSE TO DISPUTE OF DENIAL OF FEE WAIVER FOR SUBMISSION OF TOPICAL
 REPORT FOR REVIEW AND APPROVAL OF PWROG-16043-P, REVISION 2, DATED
 DECEMBER 11, 2017

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***via email**

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