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February 21, 2018

Secretary  
U.S. Nuclear Regulatory Commission  
ATTN: Rulemakings and Adjudications Staff  
Washington, DC 20555-0001

Subject: Comments Concerning Revision of Fee Schedules; Fee Recovery for Fiscal Year 2018 (83 Fed. Reg. 3407, dated January 25, 2018) (Docket ID NRC-2017-0026)

Exelon Generation Company, LLC ("Exelon") submits these comments on the Nuclear Regulatory Commission's (NRC's) proposed rule to revise the fee schedules in 10 CFR Parts 170 and 171 for Fiscal Year 2018, published at 83 Fed. Reg. 3407 on January 25, 2018.

We recognize that the NRC bases the proposed fee rule on the FY2018 Congressional Budget Justification because there is not yet an appropriation for this fiscal year. However, this places licensees in a difficult position when attempting to comment on the proposed fees. The House and Senate Appropriations Committees marks of the NRC's FY2018 budget request suggest that the appropriated budget authority could be significantly different than currently reflected in the proposed fee rule. If so, the final fee rule accordingly would be very different than the proposed rule. To ensure a meaningful opportunity to comment on proposed fees, Exelon requests that the NRC re-issue the proposed rule to reflect any final FY2018 appropriations. If timing constrains the NRC's ability to re-issue the proposed rule, Exelon requests that the NRC make publicly available as soon as possible a document reflecting how any FY2018 appropriation will alter FY2018 fees. Doing so will allow licensees to plan their internal budgets with more fidelity than continuing to rely on a proposed fee rule that is no longer valid.

Regarding the development of NRC fees, Exelon continues to have many of the same concerns regarding this process that we have expressed in recent years.<sup>1</sup> The proposed rule and supporting work papers continue to lack sufficient detail to discern exactly which costs are being recovered through annual fees. For example:

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<sup>1</sup> See Letter from J. Fewell, Exelon, to U.S. NRC, "Comments Concerning Revision of Fee Schedules; Fee Recovery for Fiscal Year 2017 (82 Fed. Reg. 8696, dated January 30, 2017) (Docket ID NRC-2016-0081)," dated Feb. 28, 2017 (ADAMS ML17061A683); Letter from J. Fewell, Exelon, to C. Bladley, NRC, "Comments Concerning Fee Development and Communications (81FR15352, dated March 22, 2016) (Docket ID NRC-2016-0056)," dated May 6, 2016 (ADAMS ML16133A327); Letter from B. Hanson, Exelon, to U.S. NRC, "Comments Concerning Proposed Rule 10 CFR Parts 170 and 171, 'Revision of Fee Schedules; Fee Recovery for Fiscal Year 2015' (80FR15476, dated March 23, 2015) (Docket ID NRC-2014-0200)," dated April 22, 2015 (ADAMS ML15113B230); Letter from M. Pacilio, Exelon, to U.S. NRC, "Comments Concerning Proposed Rule 10 CFR Parts 170 and 171, 'Revision of Fee Schedules; Fee Recovery for Fiscal Year 2014' (79FR21036, dated April 14, 2014) (Docket ID NRC-2013-0276)," dated May 9, 2014 (ADAMS ML14132A374).

- Both the proposed rule and the work papers state that the operating power reactor annual fee increases in part due to increased support for new reactor design certification and early site permit reviews. However, neither document provides any more explanation as to the reason this work is increasing. Instead, one must consult the FY2018 Congressional Budget Justification to understand the purpose of this work (and even then, it remains at a fairly high level). Exelon recommends that at least the same level of explanation in the Congressional Budget Justification also be included in the proposed fee rule.
- The proposed rule and work papers list contract and Full Time Equivalent resources for general areas of research (e.g., "engineering research" and "risk analysis"), but provides no explanation of the exact research activities being conducted. Breaking down these general research areas into more specific topics (with associated costs) would give licensees a more fulsome understanding of the NRC activities that our fees are funding. Moreover, the NRC should make clear how these research activities advance the agency's goals and objectives as set forth in its Strategic Plan.
- Similarly, the proposed rule states that certain mission-direct non-labor contract costs increased in FY2018 because those activities were funded in FY2017 with prior year unobligated carryover. However, the proposed rule and work papers do not describe whether the total contract costs for FY2018 are increasing compared to FY 2017 (irrespective of the funding source). Since the work papers reflect these contract costs as having zero resources allocated in FY2017 (due to being funded by carryover), it is impossible to tell if more (or less) work is being done in these areas relative to last year. Exelon requests that, to the extent possible in future final fee rules or work papers, the NRC identify which activities will be funded with carryover, and the amount of carryover allocated to each of those activities. This will enable licensees to compare total costs associated with NRC activities from year to year, regardless of how they were funded.

In response to the administrative changes that the NRC proposes for FY2018, Exelon supports the removal of the six-percent overhead allocation for project manager and resident inspector activities. Replacing this fixed percentage with the actual hours for activities supporting and directly benefitting the licensee or site is a more transparent and equitable approach to recovering these costs. We also applaud the NRC's implementation of fee billing process enhancements in the past year. In particular, the NRC's move to electronic invoicing, as well as providing more detailed invoices, are welcome enhancements. We look forward to continuing improvements to ensure accurate and transparent fees charged to licensees.

Lastly, Exelon supports the general comments of the Nuclear Energy Institute on the FY2018 proposed fee rule. As more power reactors announce premature shutdowns and Part 170 collections decrease, the remaining operating power reactors will bear the burden of increased annual fees unless the fee-recoverable portion of the NRC's budget authority decreases.

Exelon appreciates the opportunity to submit these comments. If you have any questions or require further information, please contact Darani Reddick, Regulatory Affairs Manager & Assistant General Counsel, at 202-637-0339.

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Respectfully,

A handwritten signature in blue ink that reads "J. Bradley Fewell". The signature is written in a cursive style with a large initial "J" and "F".

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Senior Vice President Regulatory Affairs & General Counsel  
Exelon Generation Company, LLC