

October 5, 1989

Docket No. 50-289

GPU Nuclear Corporation
ATTN: Mr. Henry D. Hukill, Vice President
and Director, TMI-1
P.O. Box 480
Middletown, PA 17057-0191

Gentlemen:

By application dated September 22, 1989, you requested a partial exemption from the FY 1989 annual fees of 10 CFR 171 for the Three Mile Island 1 reactor. You requested that a portion of fees already paid be refunded because you had been charged for research which had not been performed.

As you are aware, Part 171 user fees are assessed on the basis of budgeted costs, not actual obligations. Since it is expected that there will be some deviations between the funds budgeted for a specific activity and those actually obligated, exemptions will rarely be granted. However, in unusual situations where there is a very significant variation between the budgeted obligations and the actual obligations, an exemption may be considered.

We have completed our review of the exemption request filed by your attorneys. Based on the fact that very significant budgeted costs for two B&W research-related activities, namely, "Prevent Reactor Core Damage - Plant Performance - B&W Testing" and "Reactor Accident Risk Analysis - Assessment of Plant Risks," were not totally obligated for these specific activities in FY 1989, but rather were expended for other activities relating to all power reactors, we have determined that a partial exemption is appropriate. Therefore, pursuant to the provisions of 10 CFR 171.11, a partial exemption is hereby granted for the Three Mile Island 1 reactor. The annual fee is reduced from the FY 1989 rate of \$1,592,000 to \$1,320,000; accordingly, an appropriate refund will be sent to you shortly. Enclosed is a document showing how the refund has been calculated.

If there are questions regarding this exemption, please contact Mr. Lee Hiller, Deputy Controller, on 301-492-7351.

Sincerely,
Original Signed By:
James M. Taylor
James M. Taylor
Acting Executive Director
for Operations

DFC
1/1

Enclosure:
Refund Calculation

See attached for distribution.

| | | | | | | | |
|------|-----------|------------------------------|-----------|-----------|-----------|-------|---|
| OFC | : OC | : <i>no legal obligation</i> | : OGC | : OO | : OO | : EDO | : |
| NAME | : CJH | : <i>5/10/64</i> | : LHiller | : RMS | : JMT | : | : |
| DATE | : 10/4/89 | : 10/5/89 | : 10/7/89 | : 10/5/89 | : 10/5/89 | : | : |

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JMTaylor, Acting EDO

EDO R/F

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OC Part 171 Exemption File

CJHolloway, OC (2)

LHiller, OC

RMScroggins, OC

OC R/F ✓

GDJohnson, OC/DAF

EKBlack, OC/DAF

DBDandois, OC/LFDCB

JDWeiss, OC/LFDCB

TRothschild, OGC

RSmith, OGC

Ypk

COMPUTATION OF PROPOSED ADJUSTED ANNUAL
FEE TO BE ASSESSED FOR EIGHT BABCOCK
AND WILCOX (B&W) REACTORS
FY 1989 BUDGET

| <u>Part 171 Work by Research</u> | <u>PTS</u> | <u>FTE</u> |
|---|----------------|-------------------------|
| <u>Original Budget Base</u> | | |
| Nuclear Steam Supply System - Large Dry Containment (B&W only) | | |
| 1. Prevent Reactor Core Damage - Plant Performance - B&W Testing | \$3,500,000 | 1.8 |
| 2. Reactor Accident Risk Analysis - Assessment of Plant Risk | 475,000 | .7 |
| | <hr/> | <hr/> |
| Subtotal | \$3,975,000 | 2.5 |
| 2.5 FTE x \$150,000/FTE = | <u>377,000</u> | |
| Total Costs | \$4,352,000 | |
| Total B&W Reactors | <u>8</u> | = \$544,000 per reactor |

Revised Budget Base (Sums Obligated)

| | | |
|---|----------------|-------|
| 1. Prevent Reactor Core Damage - Plant Performance - B&W Testing | \$1,309,000 | 1.6 |
| 2. Reactor Accident Risk Analysis - Assessment of Plant Risks | -0- | -0- |
| | <hr/> | <hr/> |
| Subtotal | \$1,309,000 | 1.6 |
| 1.6 FTE x \$150,900/FTE = | <u>241,000</u> | |
| Subtotal Revised Costs | \$1,550,000 | |

Recap

| | | |
|-------------------------------|--------------------------------|----------------------------------|
| \$4,352,000 | Original Costs | |
| <u>1,550,000</u> | Revised Costs | |
| <u>\$2,802,000</u> | Costs Applicable to All Plants | |
| 106 | Reactors | |
| = \$26,400 x 8 B&W Reactors = | | <u>211,000</u> |
| Total B&W Revised Costs | | \$1,761,000 |
| Total B&W Reactors | | <u>8</u> = \$220,000 per reactor |

\$544,000 - \$220,000 = \$324,000 x .84(M Factor) = \$272,000 Amount of Each Refund