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## Westinghouse Owners Group

### Domestic Utilities

Alabama Power  
American Electric Power  
Carolina Power & Light  
Commonwealth Edison  
Consolidated Edison  
Duquesne Light  
Duke Power

Georgia Power  
Florida Power & Light  
Houston Lighting & Power  
New York Power Authority  
Northeast Utilities  
Northern States Power  
Pacific Gas & Electric

Portland General Electric  
Public Service Electric & Gas  
Public Service of New Hampshire  
Rochester Gas & Electric  
South Carolina Electric & Gas  
Southern California Edison  
Tennessee Valley Authority

Texas Utilities Electric  
Union Electric  
Virginia Power  
Wisconsin Electric Power  
Wisconsin Public Service  
Wolf Creek Nuclear  
Yankee Atomic Electric

### Foreign Utilities

Belgian Utilities  
ENEL  
Kansas Electric Power  
Korea Electric  
Nuklearna Elektra  
Spanish Utilities  
Swedish State Power Board  
Taiwan Power

OG-89-71

November 14, 1989

Mr. C. James Holloway, Jr., Chief  
License Fee Management Branch  
Division of Accounting & Finance  
Office of Administration and Resources Management

Attention: Document Control Desk  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Subject: Westinghouse Owners Group  
Request for Blanket Exemption from Review Fees for  
Future Westinghouse Owners Group Topical Report Submittals

Dear Mr. Holloway:

This letter is a blanket exemption request from those fees involving the NRC Staff review of future Westinghouse Owners Group topical report submittals. This exemption is provided for under regulation 10CFR170.11(b)(1), as authorized and in the public interest.

The Westinghouse Owners Group and the U.S. Nuclear Regulatory Commission Staff have successfully worked together during the past ten years to resolve many generic issues. This method of operation has been especially effective in optimizing the use of the resources of both the NRC Staff and the Westinghouse Owners Group. As a result recent revision of 10CFR170 (reference: 53FR52632), specifically the removal of the cap on topical report review fees, the Westinghouse Owners Group is put in a difficult budgetary process situation, which may effect the ability to address future generic regulatory issues. This change in regulation, without this exemption, may result in returning to a plant specific issue resolution process rather than a generic process. It is our opinion, plant specific resolution is not in the best interest of either the NRC, the Westinghouse Owners Group member utilities, or the public interest,

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considering both the effective use of resources and the timely implementation of safety improvement changes. Thus the Westinghouse Owners Group requests an exemption from the review fee requirements of 10CFR170 pursuant to 10CFR170.11(b)(1) for all future Westinghouse Owners Group topical report submittals.

It is the Westinghouse Owners Group opinion, the intent of the Rule change to 10CFR170 was to assess NRC review fee costs to those utilities who receive the benefit of the NRC effort. This intent can be achieved by granting the exemption, under 10CFR170, to the Westinghouse Owners Group and recapturing the costs under 10CFR171. This approach is acceptable, since under either regulation costs of the NRC review will be recovered from all Westinghouse Nuclear Steam Supply System utilities. The Westinghouse Owners Group believes this provides the most efficient use of both NRC and Westinghouse Owners Group resources and will allow implementation to occur in an expeditious manner.

The Westinghouse Owners Group is an unincorporated organization of utilities owning Westinghouse Nuclear Steam Supply Systems and was formed after the Three Mile Island incident to address generic regulatory issues raised by that incident. The Westinghouse Owners Group has continued in this cost sharing mode to resolve other generic regulatory issues. Future continuation of the Westinghouse Owners Group is based wholly on economic considerations. Each new task must be cost beneficial for each participating utility. Removal of the review fee cap makes it difficult to accurately assess the final costs and establish a manageable budget for any task being reviewed by the NRC.

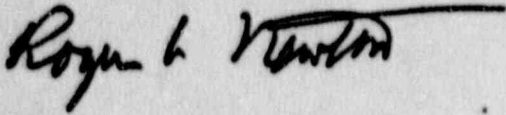
The Westinghouse Owners Group members perceive that for some tasks the review fee could approach or exceed the generic program developmental costs. Thus, in cases where the potential review fee may be significant and highly unpredictable, the potential for a generic resolution of the safety issue would be greatly reduced. Resolution of future tasks, with a generic approach, would be limited to those programs with a predictable cost basis. For those programs that the costs can not be predicted, the programs will be performed individually by each of the 27 Westinghouse Owners Group domestic members on an as needed basis. The potential result of this action will be an increased demand on NRC review resources, a delay in implementation of safety improvement issues due to increased NRC review time, an increased cost to utilities, and a less effective Westinghouse Owners Group organization to resolve generic regulatory issues.

Granting the Westinghouse Owners Group an exemption to the requirements of 10CFR170 will allow the continuation of mutual benefit to the NRC Staff and the Westinghouse Owners Group members on those regulatory issues of generic concern. In our opinion, the revenue reduction resulting from this exemption would only be a small fraction of the revenues to be collected under 10CFR170, and in any case, would be recaptured under 10CFR171. Granting this exemption is based on 10CFR170.11(b)(1) which states that the Nuclear Regulatory Commission may grant exemptions to 10CFR170, "... as it determines are authorized by law and are otherwise in the public interest."

Based on the above, the Westinghouse Owners Group believes an exemption to the topical report review fee requirement of 10CFR170 is in the public interest and authorized by law, and requests that the Nuclear Regulatory Commission grant this exemption.

Should you have any questions concerning this request, please contact me.  
Telephone number (414) 221-2002.

Very truly yours,

A handwritten signature in black ink that reads "Roger A. Newton". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Roger A. Newton, Chairman  
Westinghouse Owners Group

RAN/dac

cc: Steering Committee  
J.B. George  
C.K. McCoy  
Westinghouse Owners Group Primary Representatives  
E.C. Sterling  
D. Grace  
W.T. O'Conner  
D.J. Miller