



B&W FUEL COMPANY

An American Company with Worldwide Resources

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PROPOSED RULE (59FR 24065)

June 6, 1994

U.S. NUCLEAR REGULATORY COMMISSION
DOCKETING SERVICE
WASHINGTON, D.C. 20545

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Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
Attention: Docketing and Service Branch

REFERENCE: Proposed Rulemaking 10 CFR 170 and 171, Revision of Fee Schedule; 100% Fee Recovery, FY 1994

Dear Sir:

B&W Fuel Company (BWFC) respectfully submits the following comments concerning the above referenced proposed rulemaking for your consideration. The comments are directed at the fee associated with low-enriched fuel facilities, fee category 1A(1).

The \$ 26.6 million attributed to costs that are remaining to be recovered but not identified to a specific license category and the \$ 6.3 million to cover small entities should not be passed on to the licensees but rather recovered through other means. The distribution of these fees not associated with the licensee results in an additional \$ 55,600 for fuel fabricators which is quite a burden to pay for no direct benefit.

Since the Omnibus Budget Reconciliation Act of 1990 (OBRA-90) was enacted, the annual base fee, not including surcharges, has increased from \$ 693,000 to \$ 1,429,000 for a low-enriched fuel fabricator, fee category 1A(1). This is over a 100% increase in a five year period! For NRC FY94, low-enriched fuel fabricator's annual fee increased by about 25%. In addition, the increase was backfitted for October of 94. For companies operating on a calendar year basis, the increase hit that year's budget an additional 6%. A 31% increase is a large amount of money for a business to offset especially without any forewarning.

The allocation of NRC FY 1994 budget to Fuel Facilities versus FY 1993 was \$ 16.8 million versus \$ 13.7 million. An increase of \$ 3.1 million (23%). Ninety-three percent (93%) of the \$ 3.1 million budget was absorbed by low-enriched facilities. The distribution of the fuel facility budget allocated to low-enriched facilities increased by \$ 2.889 million, from \$ 5.685 million to \$ 8.574 million (50% increase). It seems odd that this increase occurred; with the addition of General Atomics to this fee category, the number of low-enriched licensees increased. When the CE Hematite

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and CE Windsor Plants were combined, the low enriched fuel facilities annual fees drastically increased as a result of one less licensee. With General Atomics being added under the low enriched category in FY 1994, placing the number of licensees back to the original number, shouldn't we have seen a decrease in fees? Instead it had the opposite effect, a 50% increase. It appears that whether the number of licensees increases or decreases, the annual fee always increases.

We appreciate your consideration on these matters. If you have any questions regarding these comments, please feel free to contact me at (804) 832-5202.

Sincerely,

B&W FUEL COMPANY
Commercial Nuclear Fuel Plant



Kathryn S. Knapp
Manager, Safety & Licensing