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WISCONSIN PUBLIC SERVICE CORPORATION

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MAY 16 1991 P3:35

May 13, 1991

Mr. Samuel J. Chilk  
Secretary  
U. S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Mr. Chilk:

Docket 50-305  
Operating License DPR-43  
Kewaunee Nuclear Power Plant  
Comments on Proposed Rulemaking - NRC User Fees

- Reference: 1) 56FR14870, Notice of Proposed Rule - 10CFR Parts 71, 170 and 171 - "Revision of Fee Schedules; 100% Fee Recovery"
- 2) Letter from Joe F. Colvin (NUMARC) to Samuel J. Chilk (NRC) dated May 13, 1991

Wisconsin Public Service Corporation (WPSC) has reviewed the above referenced Federal Register Notice and the comments prepared on behalf of the nuclear power industry by the Nuclear Management and Resource Council (NUMARC). WPSC is in support of NUMARC's comments and request that you consider them carefully when formulating the final rule.

Two areas that we would like to stress are NUMARC's discussion on the appropriateness of some of the fees which are being levied against the operating power reactors and the need for utility management to be able to adequately explain and justify these costs to the state regulatory commissions. The statements of consideration published in 56 FR 14870 state that cost for activities not attributable to an existing class of license were examined to determine how the fees should be recovered. Two of the considerations listed were "beneficiary of the NRC activities" and "the NRC licensee's ability to pay the fees." Based on the commission evaluation, approximately \$13.5M (\$121,700 per reactor per year) of additional annual charges were

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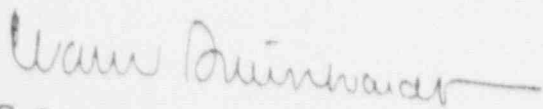
allocated to power reactors based on the fact that the NRC felt this class of licensee received an indirect benefit from the activity. As discussed in NUMARC's letter (reference 2), these costs are primarily incurred to support activities of national interest, or to subsidize the cost of developing regulation for uranium enrichment facilities which are intended to be profit-making enterprises. We strongly urge the NRC to take action to distribute these costs among all the classes of licensees, or exempt the cost from the fee base, or in the case of uranium enrichment facility licensing, defer the cost.

Similarly, we believe the NRC should collect import and export costs, including the FY 1991 cost, from this class of licensee or applicant. It is not reasonable to collect \$1.3M from the power reactors simply on the basis of "who can equitably and practicably afford to pay."

Our second area of concern addresses our ability to reasonably control cost in order to remain competitive when compared to other energy options, and to ensure that the funds are appropriately spent to benefit our rate payers. The NUMARC suggestions on public input/review of the NRC budget and developing a mechanism to track NRC expenditures should be factored into the basis for the final rule. Implementing these suggestions will demonstrate to the public that the funds collected are being spent in a cost-effective manner. This type of interaction with the public is not inappropriate given that the NRC user fees will now become a significant component of our operating and maintenance budget.

We appreciate the opportunity to comment on the proposed rule.

Sincerely,



C. R. Steinhardt  
Senior Vice President - Nuclear Power

SLB/jac

cc - US NRC - Region III  
Mr. Patrick Castleman, US NRC  
US NRC - Document Control Desk

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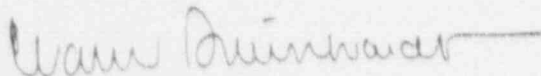
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