

PUBLIC SERVICE COMPANY OF OKLAHOMA

A CENTRAL AND SOUTH WEST COMPANY

P.O. BOX 201 / TULSA, OKLAHOMA 74102 / (918) 599-2000 / TWX 910-845-2106



June 8, 1984

Office of Administration
U.S. Nuclear Regulatory Commission
License Fee Management Branch
Washington, DC 20555

Re: Docket Nos. 50-556 and 50-557
Bill No. C0203

Attention: William O. Miller, Chief

Dear Mr. Miller:

By correspondence dated May 3, 1984, your office notified the co-owners of the Black Fox Station Nuclear Project of the Commission's intent to invoice them for the review costs of the withdrawn construction permit application; such an invoice was subsequently issued by the Division of Accounting and Finance, Office of Resource Management, on May 8, 1984, in the net amount of \$884,275.

On June 1, 1984, I spoke at length with your Ms. Reba Diggs, Facilities Programs Coordinator, who provided me with some further information regarding the computation of the review fee. Although she was most helpful, she was unable to provide more than a gross accounting of the professional staff hours. As I explained to her, any further expenditures on behalf of the Black Fox project, either for termination of contractual obligations or for operating expenses in pursuit of an orderly disposition of assets, requires substantial documentation prior to payment.

These requirements are in accordance with Order No. 217735 of the Oklahoma Corporation Commission in Cause 27639 issued on June 3, 1982, and the subsequent order on June 22, 1983 of the Federal Energy Regulatory Commission adopting the Proposed Settlement in Docket No. ER82-80-000 and ER82-389-000. In addition to these orders which bind the Public Service Company of Oklahoma, the other two co-owners, Associated Electric Cooperative, Inc. and Western Farmers' Electric Cooperative have substantially similar requirements flowing from the Rural Electric Administration and the Cooperative Finance Corporation.

Finally, in addition to these regulatory requirements, our respective managements and the outside accounting firms of Arthur Anderson & Co. and Coopers & Lybrand will require a more substantial accounting. At the same time, counsel for the co-owners will review the regulations for applicability to our factual situation. Please recognize that these standards of documentation and review have been and are being applied to each and every termination claim for the Black Fox Project and are documented in quarterly filings to the Oklahoma Corporation Commission and the FERC.

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PDR ADOCK 05000556
A PDR

CENTRAL AND SOUTH WEST SYSTEM

Central Power and Light
Corpus Christi, Texas

Public Service Company of Oklahoma
Tulsa, Oklahoma

Southwestern Electric Power
Shreveport, Louisiana

West Texas Utilities
Arlene, Texas

*Moore
1/0*

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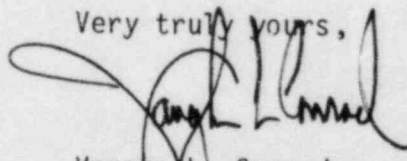
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More specifically, in order to satisfy our many overviews as to the acceptability of the billing and the prudence of payment, we will require a precise delineation of the applicable regulations and an accounting of the professional staff hours expended. This should include identification of the organization making the billing, the purpose of the time spent by review subject, and the time period during which the expenditure was charged (broken into the smallest available billing unit). In addition, we will need documentation and justification regarding the hourly rate at which the professional staff hours were billed, including all NRR, I&E, Contract, and ASLB personnel. This should also include a documentation and explanation of any loadings designed to recapture support expenditures.

The documentation should be specific as to expenses charged by individuals for lodging, travel or out-of-pocket expenses during the field investigations or the public proceedings in the Tulsa area. If these were not individually charged to the Black Fox project, please explain how these expenses were handled. It has been said that not all review hours and hearing hours were billed; please explain how this delineation was made.

Accordingly, the Black Fox Station Co-owners request, for good cause shown and the reasons enumerated above, a waiver of any interest penalty while the Commission provides substantiation for the referenced billing. Your office should address all correspondence to the undersigned who has been designated by the Black Fox Co-owners as responsible for the resolution of this matter. We would appreciate a prompt indication as to your projected schedule for response.

Very truly yours,



Vaughn L. Conrad
Manager, Corporate Development

VLC:mch

cc James E. McNabb, AECI
O.W. Fullbright, WFEC
A.J. Givray, Esq.

LIC.FEE MGMT BRANCH
JUN 13 1984
RECEIVED

FROM: Public Service Co. of OK.
 (Vaughn Conrad)
 P. O. Box 201
 Tulsa, Oklahoma (74102)

DATE OF DOCUMENT: 6/8/84
 DATE RECEIVED: 6/13/84
 NO.: LFMB-84130

TO: W. O. Miller, LFMB

LTR: MEMO: _____ REPORT: _____ OTHER: _____
 ORIG: CC: _____ OTHER: _____

ACTION NECESSARY CONCURRENCE DATE ANSWERED: _____
 NO ACTION NECESSARY COMMENT BY: _____

CLASSIF.: U POST OFFICE: _____ REG. NO.: _____

FILE CODE: Docket 50-566/557

REFERRED TO	DATE	RECEIVED BY	DATE
Reba H. Diggs with	6/13		
cy. for action			
Jim McKnight,	6/13		
with original of ltr.			
for controlling.			

DESCRIPTION: (Must Be Unclassified)
 Ltr. requesting itemized costs for Black Fox 1/2 withdrawn construction permit application documentation prior to payment. Ltr. also requests a

ENCLOSURES
 waiver of any interest penalty while the Commission provides substantiation for the referenced billing under C0203.

REMARKS
 Cy. of letter to: M. Rodriguez, R1/A, LFMB Reactor File

WOMiller, CJHolloway,