

Washington Public Power Supply System

3000 George Washington Way P.O. Box 968 Richland, Washington 99352-0968 (509)372-5000

January 6, 1986

G01-86-0002/G03-86-004

Docket Numbers: 50-460/50-508

William O. Miller, Director
License Fee Management Staff
Office of Administration
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Miller:

Subject: SUPPLY SYSTEM NUCLEAR PROJECTS WNP-1 and WNP-3
U.S. NRC BILLINGS FOR OPERATING LICENSE REVIEWS
AND INSPECTION FEES

- References:
- a) NRC Letter, William O. Miller to D. W. Mazur, dated December 28, 1984.
 - b) Supply System Letter, G. C. Sorensen to NRC, "U.S. NRC Bill Nos. D0119 and D0120 dated December 26, 1984", dated January 17, 1985.
 - c) Supply System Letter, G. C. Sorensen to NRC, "Notice of Impending Audit", 85-JJW-394, dated September 13, 1985.
 - d) NRC Letter, William O. Miller to G. C. Sorensen, dated September 27, 1985.

As indicated by reference (a), the first bills for accumulated operating license (OL) review costs for WNP-1 and WNP-3 were \$518,385 and \$1,394,355, respectively. The Supply System noted in reference (b) that the payments were made on a provisional basis. As a Municipal Corporation of the State of Washington, we have certain requirements pertaining to documentation and verification of expenditures of public funds. We indicated in reference (b) that we planned to perform an audit in the fall of 1985 to review documentation and calculations in support of the billings.

When informed via reference (c) of our plans to audit, you responded by reference (d) that NRC records are not subject to audit by non-Governmental entities. Reference (d) did, however, provide supporting documentation which was the basis for the billings. You stated that if we believed an error exists in the computation, that fact, with supporting evidence should be presented to your office in writing.

8601100153 860106
PDR ADDCK 05000460
A PDR

Moos
11

We have reviewed the supporting documentation and have, in fact, discovered what we believe to be an error in the billings for WNP-3 (Bill No. DO-120).

WNP-3 received a construction permit (CP) in April 1978. Your documentation shows that we were billed for 9,135 hours of NRR staff time in the years 1974-1978. Staff time during this period would have been included in the fee which was paid upon receipt of the CP (April 11, 1978). It is our understanding that the first OL billing was to be for the period from the date of issuance of the CP (April 11, 1978) to June 23, 1984. According to your documentation it appears that we were overbilled 9,135 manpower hours for NPR OL review. Should you find merit in this claim, please reimburse the Supply System the appropriate amount.

Our review also resulted in some questions regarding details of the billings. Those questions are delineated in the attached table. Please review them and inform us of your disposition.

If you have any questions please contact D. W. Coleman, WNP-3 Project Licensing Manager, (206) 482-4428, Ext. 5436.

Very truly yours,



G. C. Sorensen, Manager
Regulatory Programs

DWC/tn

Attachment

cc: Mr. J. A. Adams, NESCO
Mr. R. M Boucher, Pacific Power & Light Company
Mr. W. L. Bryan, Washington Water Power Company
Mr. J. Crnich, Ebasco - Elma
Ebasco, Elma
Mr. J. R. Lewis, Bonneville Power Administration
Mr. P. V. Myers, Puget Sound Power & Light Company
Mr. N. S. Reynolds, Bishop, Liberman, Cook, Purcell & Reynolds
Mr. D. Smithpeter, BPA
Mr. B. D. Withers, Portland Genral Electric Company
Document Control Desk - U.S. NRC

SUPPLY SYSTEM REVIEW QUESTIONS
OPERATING LICENSE REVIEW BILLINGS
FOR WNP-1 AND WNP-3

WNP-1

o NRR Review (Contractor)

- The following contractor costs are identified:

<u>Contractor</u>	<u>Amount</u>
INEL	\$ 1,754
PNL	8,000
ZGAGB	205
BNL	1,753
?	3,783
INEL	<u>34,098</u>
Total WNP-1 NRR Review Costs (Contractor) Questioned	<u>\$49,593</u>

A. For each of these please:

1. Describe the work performed.
2. Identify or describe the deliverable product received from the Contractor.
3. State why the costs are charged to WNP-1 in view of the limited NRC technical review on WNP-1 since July 1982. The only NRC reviews that have been performed on WNP-1 since Mid-1982 that the Supply System is aware of concern requests for application of ASME III code cases, QA changes reported to the NRC as required by 10CFR50.55(f)(3) and a recent review of WNP-1 against Regulatory Guide 1.97 Rev. 2. If additional reviews have been performed that justify the above costs, please identify them.

B. Specifically, please:

1. Identify the Contractor "ZGAGB".
2. Identify the Contractor for which the \$3,783 is billed.

o NRR Review (Staff)

IN QUESTION

- A handwritten summary of "WNP-1" Hearing Changes" is provided. It is our understanding that we are not to be billed for the cost of contested hearings.

539.5

SUPPLY SYSTEM REVIEW QUESTIONS
OPERATING LICENSE REVIEW BILLINGS
FOR WNP-1 AND WNP-3

WNP-1 (Cont'd)

o NRR Review (Staff) (Cont'd)	<u>NUMBER OF HOURS IN QUESTION</u>
- The summary includes several items of CP costs which appear to be inappropriate charges for an OL review.	287.5
- We understand "TAC" is time spent in review, evaluation, and preparation of licensing actions for unanticipated events at operating facilities. Such charges appear to be inappropriate for a project with a status such as WNP-1.	694.5
- 1977 Reactor Operator Exams This is an inappropriate charge for WNP-1	2
- 1982 Post ACRS (OL) This is an inappropriate charge	2
- 1983 Post ACRS (OL) This is an inappropriate charge	1
- 1984 Post ACRS (OL) This is an inappropriate charge	<u>54.5</u>
Total WNP-1 NRR Review (Staff) Hours Questioned	<u><u>1,581.0</u></u>

WNP-3

o NRR Review (Contractor)

- The following contractor costs are identified:

<u>Contractor</u>	<u>Amount</u>
BNL	\$ 1,753
?	6,071
?	<u>18,722</u>
Total WNP-3 NRR Review Costs (Contractor) Questioned	<u><u>\$26,546</u></u>

SUPPLY SYSTEM REVIEW QUESTIONS
OPERATING LICENSE REVIEW BILLINGS
FOR WNP-1 AND WNP-3

WNP-3 (Cont'd)

o NRR Review (Contractor) (Cont'd)

A. For each of these please:

1. Describe the work performed.
2. Identify or describe the deliverable product received from the Contractor.

B. Specifically, please:

1. Identify the Contractors for which the \$6,071 and \$18,722 were billed.

o NRR Review (Staff)	<u>NUMBER OF HOURS IN QUESTION</u>
<ul style="list-style-type: none"> - 1981 Hearing (CP) The Supply System knows of no hearing in 1981. It is also our understanding that staff time in support of contested hearings is not a permissible charge for OL fees. 	20
<ul style="list-style-type: none"> - 1981 Acceptance Review (OL) The Supply System did not submit the WNP-3 FSAR until June 1982. The acceptance review by NRR could not have begun until after that date. 	38
<ul style="list-style-type: none"> - 1982 FES (OL) The WNP-3 <u>draft</u> environmental statement was not issued until January 1984. Charges for the <u>final</u> environmental statement appear to be premature in 1982. 	3
<ul style="list-style-type: none"> - 1983 Acceptance Review (OL) The date of docketing for the WNP-3 OL application was August 1982. All NRC acceptance review questions were received prior to the end of 1982. Acceptance review charges in 1983 do not seem appropriate. 	37
<ul style="list-style-type: none"> - 1983 Hearings (OL) As indicated above, it is our understanding that staff time in support of contested hearings is not a permissible charge. 	39
<p style="margin-left: 40px;">Total WNP-3 NRR Review (Staff) Hours Questioned</p>	<hr style="width: 100%;"/> <p style="text-align: right;"><u>137</u></p>