JAN 17 1986

Docket Nos. 50-327
50-328

Tennessee Valley Authority
ATTN: Mr. H. G. Parris
Manager of Power
500A Chestnut Street - Tower II
Chattanooga, TN 37401

Gentlemen:

As you are aware, 10 CFR 170 ("Fees for Facilities and Materials Licenses and Other Regulatory Services...") was revised effective June 20, 1984. Our letter notice of May 24, 1984, addressed the major changes in the rule and transmitted a copy of the revised rule to you.

One of the requirements of the revised rule is that companies be billed at six-month intervals as review of applications progresses. The following types of applications fall under the six-month billing process:

1. Applications for operating licenses and design approvals (Sections 170.12(b & e) and 170.21.A through G),

2. Applications for amendments to construction permits and operating licenses and other approvals related thereto such as reliefs and exemptions from regulation requirements (170.12(c & d) and 170.21.A through G), which were filed on or after June 20, 1984.

3. Part 55 Operator Replacement and Requalification Services and related activities performed on or after June 23, 1984 (Sections 170.12(i) and 170.21.I),

4. Services required on or after June 23, 1984, for the certification of individuals as instructors for reactor operators (Section 170.12(f) and 170.21.J.3),

5. Review of topical and other reports and revisions or amendments to accepted reports (Section 170.12(f) and 170.21.J.1, J.2 and J.4).

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Since the revised rule became effective on June 20, the end of each six-month cycle for the above applications and services is the last NRC full pay period in December and June of each year. On this basis, the first six-month cycle for them ended December 22, 1984, and the second six-month cycle ended on June 22, 1985. Recently bills were issued for most of the applications under category 1 above for the cycle ending December 22, 1984. We are actively compiling data for billing categories 2 through 5 above for the first six-month cycle and you can expect to receive bills from the NRC's Office of Resource Management as we complete the fee computations for each category. Each category will be on a separate invoice. Contractual costs cover the period of July through November 30, 1984. For those applications for which you paid the $150 application fee, credit will be given in the first bills for this application fee. If the cost to December 22, 1984, is less than $150, the balance of the credit will be given in subsequent bills. Footnote 2 to the schedule in 10 CFR 170.21 provides that no application review costs will be less than $150.

If you have a question or wish to challenge a portion of a bill, we would suggest that you pay the unchallenged portion of the bill by the due date to avoid interest and penalty charges on that portion. Enclosed for your information is a copy of the "NRC Procedures for Extending Payment Dates of License Fee Billings."

In the future, we do not plan to send letters to notify you of the imminent issuance of bills. Please accept our apologies for the delayed issuance of the bills under the revised schedule.

Sincerely,

Signed C. James Holloway, Jr.

C. James Holloway, Jr., Acting Director
License Fee Management Staff
Office of Administration

Enclosure:
Procedures for Extending Payment

CC: Mr. Percy Hammonds

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