MAR 1 0 1986

Docket Nos. 50-440/447

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The Cleveland Electric Illuminating Company ATTN: Mr. Murray R. Edelman Vice President - Nuclear Group P.O. Box 5000 Cleveland, OH 44101

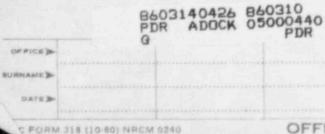
Gentlemen:

Our letter dated January 24, 1986, informed your Company that your concern regarding the \$215,800 in contractual costs billed to Perry Unit No. 2 for OL review would be reviewed and a response sent to you. Your letter dated December 27, 1985, took the position that all contractual costs (\$215,800 each unit) on Invoices E0116 (Perry 1) and E0117 (Perry 2) should be charged to Perry Unit No. 1 only.

According to data provided by the NRC review staff, it is agreed that the entire \$423,600 under Contract B8719 should be charged to Perry Unit No. 1 since Inspection Report 84-29 issued December 12, 1984, was only for Unit No. 1. However, the \$8,000 costs under Contract B2311 on Emergency Preparedness Exercise was correctly charged as \$4,000 per unit inasmuch as it was site-related rather than plant-specific and was for an Emergency Preparedness Exercise conducted in November-December 1984.

According to our records, on January 21, 1986, your Company paid a total of \$725,682 for Invoices E0116 and E0117. On February 11, 1986, you paid the remaining principal and interest for these invoices (\$7,709.15 for E0116 and \$216,544.03 for E0117). So that the records will correctly reflect the assessment of fees per unit, enclosed are Invoices E0116 and E0117 marked paid which are revised to reflect the charges for Unit No. 1 as \$873,602 and \$67,880 for Unit No. 2. Since you have paid the \$215,800 which you questioned in your December 27, 1985 letter, we consider the fees and interest due for Invoices E0116 and E0117 to be fully satisfied.

To date, a total of \$2,976,864 has been assessed and paid for OL review costs for Perry Unit No. 1 through the review period of December 22, 1984 (\$2,103,262 through June 23, 1984 and \$873,602 through December 22, 1984). For Perry Unit



The Cleveland Electric Illuminating Co. 2

No. 2 OL review, a total of \$513,249 has been assessed and paid (\$445,369 through June 23, 1984 and \$67,880 through December 22, 1984).

Thank you for clarifying the costs relating to Contract B8719. If you have further concerns regarding the Perry bills, contact us on 301/492-8746.

Sincerely,

Signed C. Janies Hallowey, for

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

Enclosures:

1. Revised Invoice E0116 Revised Invoice E0117

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