



Consumers
Power

**POWERING
MICHIGAN'S PROGRESS**

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October 7, 1986

Director,
Nuclear Reactor Regulation
US Nuclear Regulatory Commission
Washington, DC 20555

DOCKET 50-155 - LICENSE DPR-6 - BIG ROCK POINT PLANT -
ANNUAL FEE FOR POWER REACTOR OPERATING LICENSES UNDER 10CFR171 -
REQUEST FOR ADDITIONAL GUIDANCE

A Federal Register notice (Vol 51, No 181, dated 9/18/86, page 33224) published a new final rule (10CFR171) which levies an annual fee on all licensed power reactors. This fee is in addition to the fees already imposed under 10CFR170. As stated in the notice, the Nuclear Regulatory Commission (NRC), in recognition of the problem that some of the smaller reactors may have in paying increased fees, has provided for fee exemptions. It also states that it is not the intent of the NRC to promulgate a fee schedule at such a level that smaller, older reactors would find it in their best economic interest to shut down. This submittal is to notify the NRC that Consumers Power Company intends to submit an exemption request for relief from the annual fee requirement for Big Rock Point.

The new rule does allow exemptions. However, very little guidance is provided in terms of what would be an acceptable basis for granting relief. Some of the factors Consumers Power Company intends to consider include:

- Actual licensing costs

Over the last four years licensing costs under 10CFR170 have averaged approximately \$118,000.00. The new fee is an eight-fold increase.

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- Cost of production per kilowatt-hour

Big Rock Point is already near the most expensive in terms of overall cost of production when compared with all other Consumers Power Company generating facilities.

- State of Michigan Public Service Commission (PSC) regulatory climate

The new fee cannot be passed on to our customers under our current rate order without filing a new rate case. Also, intervenors are presently contesting that Big Rock Point should not be maintained in the rate base due to high operating costs.

- Age of Big Rock Point

The plant is old. It has been operating for over 24 years and only 14 years of operation remain under the operating license.

- Size of Big Rock Point

The plant is small. It is rated at 240 MW thermal/75 MW electrical.

- Past SALP performance

Big Rock Point has received above average SALP ratings over the last several years. This has resulted in less NRC regulatory effort being spent on the plant.

As published, the rule does not provide significant guidance on what is an acceptable basis for exemption, nor does it provide any guidance on what or how to calculate what an acceptable fee reduction amount would be. Consumers Power Company requests that additional guidance be provided in these two areas. To ensure that we are not in noncompliance with 10CFR171 and to ensure that no interest or other penalties are incurred, we also request that the additional guidance be provided in a timely matter so that we may file a formal exemption request by November 19, 1986. After we file our exemption request, we intend to withhold payment of the new annual fee until the exemption request is acted upon by the NRC.

Director, Nuclear Reactor Regulation
Big Rock Point Plant
Annual Fee for Power Reactor Operating Licenses Under 10CFR171
October 7, 1986

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Our position has been discussed with the Big Rock Point Project Directorate. This submittal is being made at his request. He has concurred with Consumers Power Company's position and has agreed to provide the requested additional guidance.

Kenneth W Berry

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Director, Nuclear Licensing

CC Administrator, Region III, USNRC
NRC Resident Inspector - Big Rock Point