



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

March 24, 1999

Mr. William R. McCollum, Jr.
Vice President, Oconee Nuclear Site
Duke Energy Corporation
P. O. Box 1439
Seneca, SC 29679

Dear Mr. McCollum:

On July 6, 1998, Duke Energy Corporation (Duke) filed an application for the renewal of operating licenses DPR-38, DPR-47, and DPR-55. The NRC is now considering the renewal of those licenses, which would authorize Duke to operate Oconee Nuclear Station (ONS) Units 1, 2, and 3 for an additional 20 years beyond the current 40-year period. For the reasons stated below, a partial exemption from Title 10 of the Code of Federal Regulations (10 CFR) Part 170 fees is granted in accordance with 10 CFR 170.11(b)(1). The NRC's August 2, 1996, letter informed you that staff's review of plant-specific license renewal technical information necessary for an eventual license renewal application for ONS met the criteria for waiver of Part 170 fees in accordance with Criteria 2 of Footnote 4 of 10 CFR 170.21. However, Footnote 4 is not applicable to applications for which fees are otherwise prescribed in Part 170. Therefore, the fee waiver provided in Footnote 4 is not applicable to your application for renewal of operating licenses DPR-38, DPR-41 and DPR-55.

Duke's license renewal application for ONS Units 1, 2 and 3 along with Baltimore Gas and Electric's renewal application for Calvert Cliffs Units 1 and 2 represent first-of-a-kind efforts for both the industry and the NRC staff. The staff intends to utilize the experience gained through the review of these first renewal applications to develop generic implementation guidance for license renewal. Therefore, in addition to the plant-specific benefits, the review of the ONS renewal application has generic value applicable to the general license renewal process and benefits the entire industry as a whole.

Based on the foregoing, I have determined that a partial exemption from the 10 CFR Part 170 fee requirements is appropriate for that portion of the review of the license renewal application for ONS Units 1, 2 and 3, dated July 6, 1998, that the staff determines has generic value to the industry. The exemption is authorized by law and is granted in accordance with 10 CFR Section 170.11(b)(1). The plant-specific portion of the staff's review of the renewal application will be billed to Duke under 10 CFR Part 170. Using a system of billable and nonbillable technical assignment control (TAC) numbers, each reviewer will decide what portion of their review will support the development of the generic renewal process and implementation guidance. The staff's current estimate is that approximately 50 percent of its review of the ONS renewal application will be of generic benefit and, therefore, would not be subject to Part 170 fees. The responsible project manager for the ONS' renewal application will monitor the staff apportionment of review time between billable and nonbillable TAC numbers.

9903310143 990324
PDR ADOCK 05000260
P PDR

However, there is one exception to the process presented above. The work (both in-house and contracted) to review the environmental report and develop an environmental impact statement (EIS) for Oconee license renewal is plant-specific. The underlying bases for this conclusion is that a generic EIS for license renewal has already been developed to identify the scope of the issues involved with license renewal as well as their associated impacts and, therefore, no further generic benefit is expected. In addition, the staff has broad experience in developing environmental impact statements and the development of a plant-specific supplement to the generic EIS for license renewal is essentially the same as the development of previous EISs. Therefore, staff review and technical assistance work on the EISs, (e.g., work being performed by Pacific Northwest National Laboratory), will be fully fee recoverable under 10 CFR Part 170.

If you have any questions concerning the environmental review, please contact Ralph Architzel, Chief, Environmental/Financial Section of the Generic Issues and Environmental Projects Branch, at 301-415-2804. If you have any questions concerning the billing issues, please contact Ellen Poteat, License Fee and Accounts Receivable Branch, Office of the Chief Financial Officer, at 301-415-6392.

Sincerely,

Original signed by
Peter J. Rabideau for:

Jesse L. Funches
Chief Financial Officer

Docket Nos. 50-269, 50-270, and 50-287
cc: See next page

Distribution: See next page

DOCUMENT NAME:A:\DAF9-026.WPD

OFFICE	LA <i>mail</i>	PDLR:PM	PGEB:AC	PDLR:D	PPRB <i>mail</i>	
NAME	LBerry	RAnand <i>mail</i>	FAkstulewicz	CGrimes	RVillafranco	
DATE	3/17/99	3/17/99	3/17/99	3/17/99	3/18/99	
OFFICE	LFARB <i>D</i>	OGC <i>mail</i>	DRPM <i>mail</i>	OCFO:DAF <i>N</i>	DCFO	OCFO:D
NAME	DDandqis	TRothschild	DMatthews	JTurdici <i>T</i>	PJ Rabideau	JFunches <i>J</i>
DATE	3/24/99	3/17/99	3/19/99	3/23/99	3/24/99	3/24/99

OFFICIAL RECORD COPY

Distribution:

3/12/99
(Rev. 3/24)
lsh 1

MAR 24 1988

Hard copy

PUBLIC

Docket File

PDLR RF

M. El-Zeftawy, ACRS T2E2

OCFO/DAF/LFARB RF

OCFO/DAF RF (DAF-9-026)

OCFO/DAF SF (AR-1.17)

NUDOCS (ML-61)

OCFO/RF

~~S. Hudson, OCFO RF~~

L. Herr, DCFO RF

L. Tremper, LFARB/ART

E-mail:

R. Zimmerman

w. Kane

D. Matthews

S. Newberry

C. Grimes

F. Akstulewicz

J. Strosnider

G. Bagchi

H. Brammer

T. Hiltz

G. Holahan

E. Poteat

C. Gratton

R. Correia

R. Latta

J. Peralta

J. Moore

R. Weisman

M. Zabler

E. Hackett

A. Murphy

F. Cherny

D. Martin

W. McDowell

S. Droggitis

PDLR Staff

H. Berkow

D. LaBarge

L. Plisco

C. Ogle

R. Trojanowski

M. Scott

C. Julian

R. Architzel

J. Wilson

300043

Oconee Nuclear Station (License Renewal)

cc:

Paul R. Newton, Esquire
Duke Energy Corporation
422 South Church Street
Mail Stop PB-05E
Charlotte, North Carolina 28201-1006

J. Michael McGarry, III, Esquire
Anne W. Cottingham, Esquire
Winston and Strawn
1400 L Street, NW.
Washington, DC 20005

Mr. Rick N. Edwards
Framatome Technologies
Suite 525
1700 Rockville Pike
Rockville, Maryland 20852-1631

Manager, LIS
NUS Corporation
2650 McCormick Drive, 3rd Floor
Clearwater, Florida 34619-1035

Senior Resident Inspector
U. S. Nuclear Regulatory Commission
7812B Rochester Highway
Seneca, South Carolina 29672

Regional Administrator, Region II
U. S. Nuclear Regulatory Commission
Atlanta Federal Center
61 Forsyth Street, SW, Suite 23T85
Atlanta, Georgia 30303

Virgil R. Autry, Director
Division of Radioactive Waste Management
Bureau of Land and Waste Management
Department of Health and
Environmental Control
2600 Bull Street
Columbia, South Carolina 29201-1708

County Supervisor of Oconee County
Walhalla, South Carolina 29621

Chattooga River Watershed Coalition
P. O. Box 2006
Clayton, GA 30525

Mr. J. E. Birchfield
Compliance Manager
Duke Energy Corporation
Oconee Nuclear Site
P. O. Box 1439
Seneca, South Carolina 29679

Ms. Karen E. Long
Assistant Attorney General
North Carolina Department of Justice
P. O. Box 629
Raleigh, North Carolina 27602

L. A. Keller
Manager - Nuclear Regulatory Licensing
Duke Energy Corporation
526 South Church Street
Charlotte, North Carolina 28201-1006

Mr. Richard M. Fry, Director
Division of Radiation Protection
North Carolina Department of
Environment, Health, and
Natural Resources
3825 Barrett Drive
Raleigh, North Carolina 27609-7721

Gregory D. Robison
Duke Energy Corporation
Mail Stop EC-12R
P. O. Box 1006
Charlotte, North Carolina 28201-1006

Robert L. Gill, Jr.
Duke Energy Corporation
Mail Stop EC-12R
P. O. Box 1006
Charlotte, North Carolina 28201-1006
RLGILL@DUKE-ENERGY.COM

Douglas J. Walters
Nuclear Energy Institute
1776 I Street, NW
Suite 400
Washington, DC 20006-3708
D.W@NEI.ORG