

FINAL SUPPORTING STATEMENT
FOR
ANNUAL FINANCIAL REPORT AND OTHER FINANCIAL REQUIREMENTS 10 CFR
50.71(b); 10 CFR 50 Appendix C, Section III; and, 10 CFR 50.76

DESCRIPTION OF THE INFORMATION COLLECTION

The requirement for the annual financial report, including the certified financial statements, arises from the Atomic Energy Act (AEA) of 1954, as amended, Section 182, "License Applications." Section 182(a) provides, among other things, that each application for a license shall state such information as the Commission, by rule or regulation, may determine to be necessary to decide the financial qualifications of the applicant as the Commission may deem appropriate for the license. Annual financial reporting is specified in 10 *Code of Federal Regulations* (CFR) Section 50.71(b) and 10 CFR 50 Appendix C, Section III. Under 10 CFR 50 Appendix C, Sections I and II, the regulation specifies the financial data and related information required to establish financial qualifications for facility construction permits. The burden for 10 CFR 50 Appendix C, Sections I and II, is addressed in the Section 1 Supporting Statement.

The annual financial reporting requirement affects 108 power reactor licensees (including co-owners), which includes 4 granted combined licenses, and 31 non-power testing facilities.

10 CFR 50.76 was created as a rulemaking in December 2003, (69 Federal Register (FR) 4448, Jan. 30, 2004), to segregate a requirement from 10 CFR 50.33(f)(2) to ensure a power reactor licensee that transitions from a utility to a non-electric-utility status, and is not subject to 10 CFR 50.80 requirements, submits financial qualifications information. This has never happened, nor is it expected to happen, but if it did, this section explicitly tells licensees of the requirement.

A. JUSTIFICATION

1. Need for and Practical Utility of the Collection of Information

Section 50.71(b) of 10 CFR requires licensees and holders of construction permits to file with the Commission annual financial reports, including certified financial statements. This requirement is also specified in 10 CFR 50 Appendix C, Section III, for holders of construction permits. The fundamental purpose of the financial qualifications provision is the protection of public health and safety and the common defense and security. A licensee's or holder's (including a co-owner's) financial resources may affect its ability to meet its responsibilities on safety matters.

The Commission reserves the right to require additional financial information during construction or operation of a facility, particularly in cases in which the nuclear power plant will be commonly owned by two or more existing companies, or in which financing depends upon long-term arrangements for the sharing of the electric power output of the facility by two or more electric power generating companies.

The annual financial report provides financial information after a construction permit has been issued for a nuclear power plant.

Pursuant to 10 CFR 50.76, the regulation requires power reactor licensees that transition from an electric utility status to a non-electric utility status, without a license transfer, to submit financial qualifications information as specified in 10 CFR 50.33(f)(2). The financial qualifications information must address the first full five years of operation after the date the licensee ceases to be an electric utility.

2. Agency Use of Information

The annual financial reports, and any other pertinent material that may be needed, are used by the Nuclear Regulatory Commission (NRC) staff for financial monitoring of the respondents individually, and of the industry as a whole. If it appears that any respondent is experiencing financial difficulties, this information is useful for NRC consideration of any appropriate actions.

3. Reduction of Burden Through Information Technology

There are no legal obstacles to reducing the burden associated with this information collection. The NRC encourages respondents to use information technology when it would be beneficial to them. NRC issued a regulation on October 10, 2003, (68 FR 58791), consistent with the Government Paperwork Elimination Act, which allows its licensees, vendors, applicants, and members of the public the option to make submissions electronically via CD-ROM, e-mail, special Web-based interface or other means. It is estimated that approximately 95% of the potential responses are filed electronically.

4. Effort to Identify Duplication and Use Similar Information

No sources of similar information are available. There is no duplication of requirements. NRC has in place an ongoing program to examine all information collections with the goal of eliminating all duplication and/or unnecessary information collections.

The information requested in 10 CFR 50.71(b) and 10 CFR 50 Appendix C, Section III, is not required by any other regulation. The financial information required by 10 CFR 50.33(f) for applications for construction permits and operating licenses is used to establish financial qualifications needed before the NRC can approve the applications and is not duplicated here (see the Section 1 Supporting Statement).

There is no source for the required information other than nuclear reactor licensees/construction permit holders, including co-owners.

5. Effort to Reduce Small Business Burden

This information collection does not affect small business.

6. Consequences to Federal Program or Policy Activities if the Collection is Not Conducted or is Conducted Less Frequently

If the information is not submitted when required, there could be a situation where a licensee's financial resources are questionable, which could affect the licensee's ability to meet responsibilities on safety matters.

7. Circumstances which Justify Variation from Office of Management and Budget (OMB) Guidelines

This information collection does not vary from the OMB guidelines.

8. Consultations Outside the NRC

Opportunity for public comment on the information collection requirements for this clearance package was published in the Federal Register on May 14, 2013 (78 FR 28244). No comments were received.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of Information

Confidential and proprietary information is protected in accordance with NRC regulations at 10 CFR 9.17(a) and 10 CFR 2.390(b). However, no information normally considered confidential or proprietary is requested.

11. Justification for Sensitive Questions

This information collection does not require sensitive information.

12. Estimated Industry Burden and Burden Hour Cost

Responses are required from about 108 power reactor licensees, including co-owners, and 31 non-power testing facilities, resulting in a total of 139 annual responses during the clearance period. The NRC staff estimates that approximately one hour is needed by industry to respond to these annual reporting requirements. Therefore, there is 139 hours of industry burden at a cost of \$38,086 ($\274×139). Staff estimates that of this burden, approximately 10 percent (14 hours) is attributable to recordkeeping associated with the submittal, and the remainder (125 hours) is reporting.

If a response under 10 CFR 50.76 were to be received, which is estimated to occur less than once every three years, the burden of approximately 100 hours would be approximately 33 hours per year or \$9,042 ($100/3 \times \274). However, NRC does not anticipate receiving a response under 10 CFR 50.76 during the reporting period.

13. Estimate of Other Additional Costs

The NRC has determined that the quantity of records to be maintained is roughly proportional to the recordkeeping burden and, therefore, can be used to calculate approximate records storage costs. Based on the number of pages maintained for a typical clearance, the records storage cost has been determined to be equal to 0.0004 times the recordkeeping burden cost. Because the recordkeeping burden is estimated to be 14 hours, the storage cost for this clearance is \$2 (14 hours x 0.0004 x \$274/hour).

14. Estimated Annualized Cost to the Federal Government

Approximately one hour of staff effort is required to review each of the 139 annual submittals. Therefore, total cost to the Federal government is expected to be \$38,086 (\$274 x 139).

This cost is fully recovered through fee assessments to NRC licensees pursuant to 10 CFR 170 and/or 10 CFR 171.

15. Reasons for Changes in Burden or Cost

The estimated burden has changed from 137 hours to 139 hours (an increase of 2 hours). In the current clearance, the NRC has corrected and adjusted the number of respondents to 108 power reactors, which reflects the granting of 4 combined licenses, and 31 non-power testing facilities (a total of 139 respondents). The upward adjustment of 2 respondents, at one hour per response, has increased the burden by 2 hours. The hourly cost increased from \$257 to \$274.

16. Publication for Statistical Use

The collected information is not currently used for statistical purposes.

17. Reason for Not Displaying the Expiration Date

The requirement is contained in a regulation. Amending the CFR to display information that, in an annual publication, could become obsolete would be unduly burdensome and too difficult to keep current.

18. Exceptions to the Certification Statement

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.