March 2, 2007

J. V. Parrish (Mail Drop 1023)
Chief Executive Officer
Energy Northwest
P.O. Box 968
Richland, WA 99352-0968

SUBJECT: ANNUAL ASSESSMENT LETTER - COLUMBIA GENERATING STATION
(NRC INSPECTION REPORT 05000397/2007001)

Dear Mr. Parrish:

On February 8, 2007, the NRC staff completed its performance review of the Columbia Generating Station. Our technical staff reviewed performance indicators for the most recent quarter and inspection results for the period from January 1 through December 31, 2006. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Official Use Only - Security-Related Information" will include the physical protection review and resultant inspection plan.

Overall, the Columbia Generating Station operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter was within the Licensee Response column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all performance indicators indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process baseline inspections at your facility.

While plant performance was within the Licensee Response column for the most recent quarter, plant performance was within the Regulatory Response column during the first quarter of calendar year 2006 based on a White performance indicator in the Mitigating Systems Cornerstone (Safety System Unavailability High Pressure Injection). A supplemental inspection was performed and documented in NRC Supplemental Inspection Report 05000397/2005010 [ADAMS Reference ML053340056]. The results of this inspection indicated that Energy Northwest adequately addressed this issue.

In our midcycle assessment letter dated August 31, 2006 [ADAMS Reference ML062430646], we advised you of the continuation of a substantive crosscutting issue in the area of problem identification and resolution involving degraded equipment conditions in which the extent of condition was not fully addressed, indicating inadequate problem analysis. Also you were
advised that, while you had taken steps to strengthen your performance in this area, your corrective actions had not fully been implemented, and Energy Northwest had not yet demonstrated that these actions would result in an improved level of performance over the long term. Consequently, this substantive crosscutting issue remained open.

The annual assessment of this substantive crosscutting issue included a review of inspection results over the 12-month period of January 1 to December 31, 2006. Our assessments during the latter half of this period indicated that the actions taken by Energy Northwest were being effective in addressing the causes of the substantive crosscutting issue. The assessment was made on the basis of improving problem identification and resolution performance trends and fewer NRC inspection findings in this area. In addition, we noted that your staff has implemented program improvements and focused training, which have contributed to the improved performance in evaluating the extent of condition of degraded equipment conditions. As a result, we consider the substantive crosscutting issue closed.

The enclosed inspection plan details the inspections, except those related to physical protection, scheduled through September 30, 2008. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the midcycle review.

In accordance with 10 CFR 2.390 of the NRC’s “Rules of Practice,” a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC’s document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html (the Public Electronic Reading Room).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Mr. Claude Johnson at (817) 860-8148 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

Arthur T. Howell III, Director
Division of Reactor Projects

Docket: 50-397
License: NPF-21

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Records Center
700 Galleria Parkway SE, Suite 100
Atlanta, GA 30339
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