UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

June 8, 2006

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

SUBJECT: SUMMARY OF MEETING WITH ENERGY NORTHWEST REGARDING COLUMBIA GENERATING STATIONS END-OF-CYCLE ASSESSMENT

Dear Mr. Parish:

This refers to the end-of-cycle meeting conducted at Richland, Washington on June 1, 2006, between the NRC and your staff. The participants discussed performance at Columbia Generating Station for the period of January 1, 2005, through December 31, 2005.

The attendance list is enclosed with this summary (Enclosure 1). A copy of the NRC presentation slides is also enclosed (Enclosure 2) along with a copy of the Energy Northwest presentation slides (Enclosure 3).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be 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).

Should you have any questions concerning this matter, we will be pleased to discuss them with you.

Sincerely,

Claude E. Johnson, Chief
Project Branch A
Division of Reactor Projects

Docket: 50-397
License: NPF-21

Enclosures:
1. Attendance List
2. NRC Presentation Slides
3. Energy Northwest Presentation Slides

cc w/enclosures:
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ENCLOSURE 1

Meeting: NRC EOC Meeting FOR C65 Date: June 1, 2006

Name	Organization
Tony Vegel	NRC
Victor Dricks	NRC
Claude Johnson	NRC
Zach Dunham	NRC
Doug Coleman	Energy Northwest
DALE ATKINSON	"
Vic Panik	EN
Tom Lynch	EN
Greg Cullen	EN
Louis Contopassi	EN
Tom Rogers	WA DEPT OF HEALTH
Willm Lafferty	EN
ABDY KHANPOUR	EN
SAM BAKER	EN
Scott OXENFORD	EN
Cheryl Whitcomb	EN
[illegible]	EN
CARL KING	EN
Inge Borland	EN
Jerry Engbarth	EN
Louise Fyalkowski	NRC
DALJIT MAND	EN
Robert Torres	EN
DEL SENNER	EN

Meeting: NRC EOC MEETING FOR CGS Date: JUNE 1, 2006

Name	Organization
MIKE MILLS	WA ST EFSEC
PHIL HAMMOND	PUBLIC
Andy Rowe	ENW
LORI WALLI	ENW

ENCLOSURE 2

Columbia Generating Station Annual Assessment Meeting

Reactor Oversight Program - CY 2005

Nuclear Regulatory Commission - Region IV

Richland, WA

June 1, 2006

Purpose of Today's Meeting

- A public forum for discussion of the licensee's performance
- NRC will address the licensee performance issues identified in the annual assessment letter
- Licensee will be given the opportunity to respond to the information in the letter and inform the NRC of new or existing programs to maintain or improve their performance

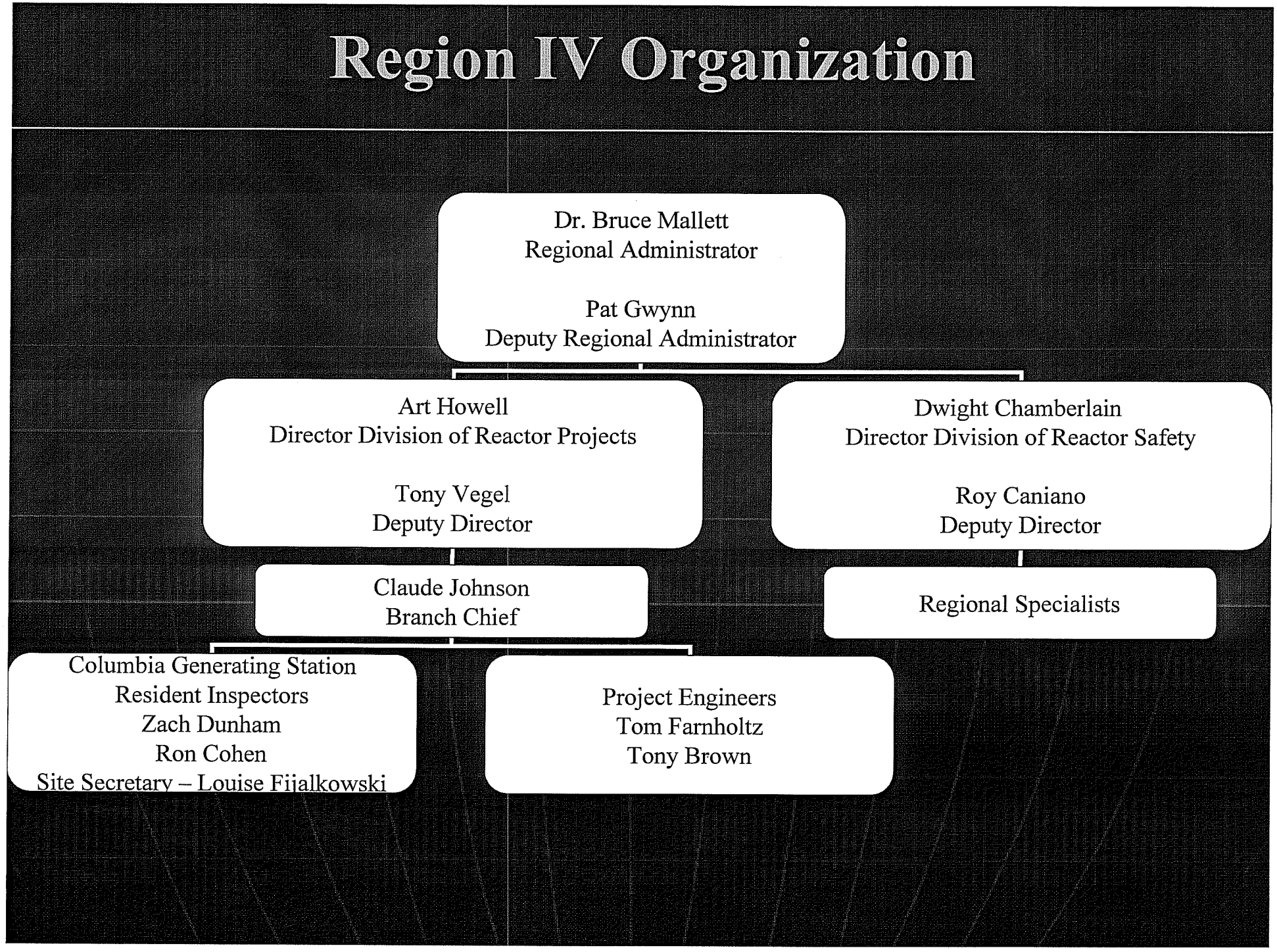
Agenda

- Introduction
- Review of Reactor Oversight Process
- National Summary of Plant Performance
- Discussion of Plant Performance Results
- Licensee Response and Remarks
- NRC Closing Remarks
- Break
- NRC available to address public questions

NRC Representatives

- Tony Vegel, Deputy Division Director, Division of Reactor Projects
  - (817) 860-8100
- Zach Dunham, Senior Resident Inspector
  - (509) 377-2627
- Ron Cohen, Resident Inspector
  - (509) 377-2627
- Claude Johnson, Branch Chief
  - (817) 860-8148

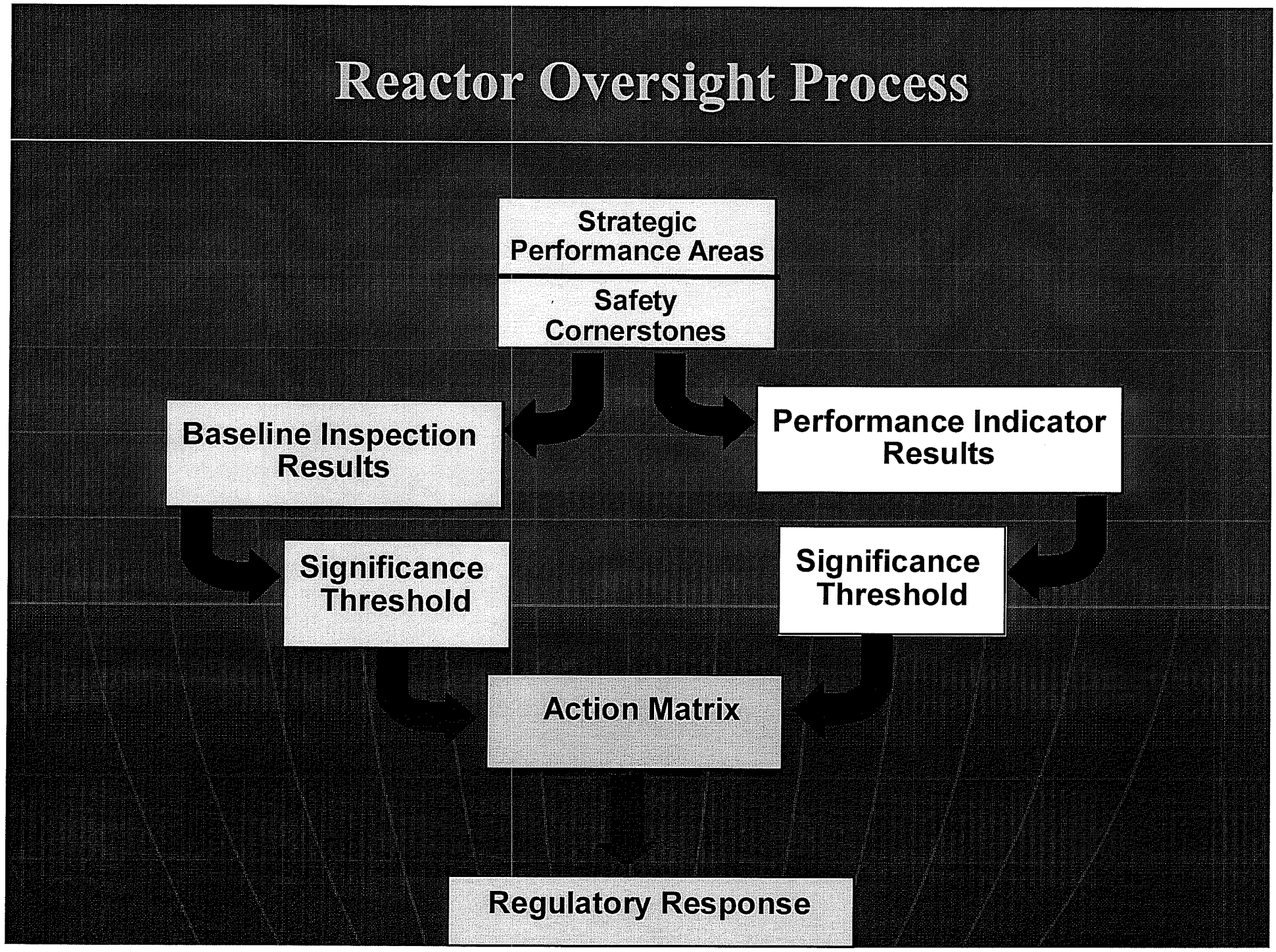
Region IV Organization



NRC Performance Goals

- Safety: Ensure protection of the public health and safety and the environment
- Security: Ensure the secure use and management of radioactive materials
- Openness: Ensure openness in our regulatory process
- Effectiveness: Ensure that NRC actions are effective, efficient, realistic, and timely
- Management: Ensure excellence in agency management to carry out the NRC strategic objective

Reactor Oversight Process



Examples of Baseline Inspections

- Equipment Alignment ~80 hrs/yr
- Triennial Fire Protection ~200 hrs every 3 yrs
- Operator Response ~125 hrs/yr
- Emergency Preparedness ~80 hrs/yr
- Rad Release Controls ~110 hrs every 2 yrs
- Worker Radiation Protection ~90 hrs/yr
- Corrective Action Program ~250 hrs every 2 yrs
- Corrective Action Case Reviews ~60 hrs/yr

Significance Threshold

Performance Indicators

Green: Only Baseline Inspection

White: May increase NRC oversight

Yellow: Requires more NRC oversight

Red: Requires more NRC oversight

Inspection Findings

Green: Very Low safety issue

White: Low to moderate safety issue

Yellow: Substantial safety issue

Red: High safety issue

Action Matrix Concept

Licensee Response	Regulatory Response	Degraded Cornerstone	Multiple/Rep. Degraded Cornerstone	Unacceptable Performance

Increasing Safety Significance

Increasing NRC Inspection Efforts

Increasing NRC/Licensee Management Involvement

Increasing Regulatory Actions

National Summary of Plant Performance

Status at End of CY 2005

Licensee Response	84
Regulatory Response	12
Degraded Cornerstone	4
Multiple/Repetitive Degraded Cornerstone	3
Unacceptable	0
Total	103

National Summary

- **Performance Indicator Results (at end of CY 2005)**
  - ► Green 1850
  - ► White 4
  - ► Yellow 0
  - ► Red 0
- **Total Inspection Findings (CY 2005)**
  - ► Green 849
  - ► White 10
  - ► Yellow 1
  - ► Red 0

Columbia Generating Station Inspection Activities

January 1 - December 31, 2005

- Resident Inspectors Expended Approximately 2900 Hours Inspecting Columbia Generating Station in 2005
- Region Based Inspectors Expended Approximately 1600 Hours Inspecting Columbia Generating Station in 2005
- Columbia Generating Station Completed a Scheduled Refueling Outage in 2005

Columbia Generating Station Inspection Activities

January 1 - December 31, 2005

- Problem Identification and Resolution Team Inspection Conducted at Columbia Generating Station in 2005
- Safety System Design and Performance Capability Team Inspection Conducted at Columbia Generating Station in 2005
- Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems Team Inspection Conducted at Columbia Generating Station in 2005

Columbia Generating Station Assessment Results

January 1 - December 31, 2005

- Regulatory Response Column of the NRC Action Matrix
- No Greater Than Green Inspection Findings
- One Greater Than Green Performance Indicator for the Entire Assessment Period
- Supplemental Inspection Completed for this issue
- One Greater Than Green Performance Indicator for the Second Quarter of the Assessment Period

Safety Significant Performance Indicators

- White Performance Indicator for Safety System Unavailability – High Pressure Injection System (HPCS) – All of 2005
- Inoperable Due to a Failed Air Deflector in the Motor Requiring Extensive Repair
- Supplemental Inspection Indicated an Acceptable Response
- White Performance Indicator for Unplanned Scrams per 7000 Critical Hours – Second Quarter of 2005
- Supplemental Inspection Performed in Early 2006

Columbia Generating Station
Substantive Cross-Cutting Issues

- Substantive Cross-Cutting Issues Potentially Effect Multiple Cornerstones
- Human Performance Cross-Cutting Issue – Closed
- Problem Identification and Resolution Cross-Cutting Issue - Opened

Columbia Generating Station
Annual Assessment Summary

January 1 - December 31, 2005

- Energy Northwest operated the Columbia Generating Station in a manner that preserved public health and safety
- All cornerstone objectives were met with two White performance indicators reported
- NRC plans to conduct baseline inspections at Columbia Generating Station through September 30, 2007
- Two supplemental inspections conducted in early 2006
- Additional focus on the cross-cutting issue of Problem Identification and Resolution

Licensee Response and Remarks

J. V. Parrish

Chief Executive Officer

Energy Northwest

Contacting the NRC

- Report an emergency
  - (301) 816-5100 (call collect)
- Report a safety concern:
  - (800) 695-7403
  - Allegation@nrc.gov
- General information or questions
  - www.nrc.gov
  - Select "What We Do" for Public Affairs

Reference Sources

- Reactor Oversight Process
  - http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html
- Public Electronic Reading Room
  - http://www.nrc.gov/reading-rm.html
- Public Document Room
  - 1-800-397-4209 (Toll Free)

ACTION MATRIX

		Licensee Response Column	Regulatory Response Column	Degraded Cornerstone Column	Multiple/ Repetitive Degraded Cornerstone Column	Unacceptable Performance Column
RESULTS		All Assessment Inputs (Performance Indicators (PIs) and Inspection Findings) Green; Cornerstone Objectives Fully Met	One or Two White Inputs (in different cornerstones) in a Strategic Performance Area; Cornerstone Objectives Fully Met	One Degraded Cornerstone (2 White Inputs or 1 Yellow Input) or any 3 White Inputs in a Strategic Performance Area; Cornerstone Objectives Met with Moderate Degradation in Safety Performance	Repetitive Degraded Cornerstone; Multiple Degraded Cornerstones; Multiple Yellow Inputs; or 1 Red Input; Cornerstone Objectives Met with Longstanding Issues or Significant Degradation in Safety Performance	Overall Unacceptable Performance; Plants Not Permitted to Operate Within this Band; Unacceptable Margin to Safety
RESPONSE	Regulatory Performance Meeting	None	Branch Chief (BC) or Division Director (DD) Meet with Licensee	DD or Regional Administrator (RA) Meet with Licensee	RA (or EDO) Meet with Senior Licensee Management	Commission meeting with Senior Licensee Management
	Licensee Action	Licensee Corrective Action	Licensee root cause evaluation and corrective action with NRC Oversight	Licensee cumulative root cause evaluation with NRC Oversight	Licensee Performance Improvement Plan with NRC Oversight	
	NRC Inspection	Risk-Informed Baseline Inspection Program	Baseline and supplemental inspection procedure 95001	Baseline and supplemental inspection procedure 95002	Baseline and supplemental inspection procedure 95003	
	Regulatory Actions[1]	None	Supplemental inspection only	Supplemental inspection only	-10 CFR 2.204 DFI -10 CFR 50.54(f) Letter - CAL/Order	Order to Modify, Suspend, or Revoke Licensed Activities
COMMUNICATION	Assessment Letters	BC or DD review/sign assessment report (w/ inspection plan)	DD review/sign assessment report (w/ inspection plan)	RA review/sign assessment report (w/ inspection plan)	RA review/sign assessment report (w/ inspection plan)	
	Annual Public Meeting	SRI or BC Meet with Licensee	BC or DD Meet with Licensee	RA (or designee) Discuss Performance with Licensee	EDO Discuss Performance with Senior Licensee Management	
	Commission Involvement	None	None	None	Plant discussed at AARM	Commission Meeting with Senior Licensee Management
	INCREASING SAFETY SIGNIFICANCE ---------->					

Note 1: The regulatory actions for plants in the Multiple/Repetitive Degraded Cornerstone column are not mandatory agency actions. However, the regional office should consider each of these regulatory actions when significant new information regarding licensee performance becomes available.

ENCLOSURE 3

ENERGY NORTHWEST

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ENERGY NORTHWEST COMMENTS

Dale Atkinson, VP Nuclear Generation

June 1, 2006

Discussion Topics

- Human Performance
- Problem Identification and Resolution
- Trek to Excellence
- Plant Performance
- Plant Health Improvements

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Human Performance

- Achieved longest run of event-free performance in the past two years
- Adopted industry best practices:
  - Standardized human performance indicators
  - Created department level event-free clocks
  - Managing performance via monthly trending

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Problem Identification and Resolution

- Aggressively responding to the NRC's observation in this area
- Comprehensive root cause analysis has been performed
- Interim corrective actions have been implemented
- Actions to prevent recurrence identified and being implemented
- Details to be presented at NRC Regional Office (meeting scheduled for June 12)

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Trek to Excellence

- Trek to Excellence set to achieve top-quartile performance
- Focus Areas: Equipment Reliability, Human Performance and Training Excellence
- Our core values are shaping the behaviors needed to achieve the desired results

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Plant Performance

- 334 continuous days on-line
- 343 days until the start of R-18
- Backlog of corrective and elective maintenance items at all time low

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Plant Health Improvements

- Replaced Service Water Pumps
- Significant maintenance completed on Division 2 EDG
- Replacement of safety-related station batteries in progress
- Over $100M to be invested in plant improvements in FY-07

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Summary

- Continued focus on Equipment Reliability, Human Performance and Training Excellence
- Safe and reliable operation of Columbia Generating Station

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