



Donald W. Gregoire
Manager, Regulatory Affairs
P.O. Box 968, PE20
Richland, WA 99352-0968
Ph. 509-377-8616 | F. 509-377-4317
dwgregoire@energy-northwest.com

March 28, 2013
GO2-13-051

10 CFR 50.75(f)(1)

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

**Subject: COLUMBIA GENERATING STATION, DOCKET NO. 50-397
DECOMMISSIONING FUND STATUS REPORT**

References: Letter GO2-12-183 dated December 17, 2012, DW Gregoire (Energy Northwest) to NRC, "Decommissioning Cost Estimate and Decommissioning Funding Plan Submittals."

Dear Sir or Madam:

In accordance with the requirements of 10 CFR 50.75(f)(1), Energy Northwest hereby reports the status of the Columbia Generating Station (CGS) decommissioning funding:

- 2012 Estimated Decommissioning Cost - \$454.6 Million*
- Fund Balance as of December 31, 2012 - \$183.9 Million
- Schedule of Payments – Attachment 1
- Assumed Cost Escalation Rate - 4% / year
- Assumed Interest Rate - 6% / year
- 10 CFR 50.75(e)(1)(v) Customer Contracts - Not Applicable
- Changes in Financial Assurance Method – None
- Material Changes to Trust Agreement – None

***NOTES:**

(1) The value for the estimated decommissioning cost as of December 31, 2012, does not include state costs or Independent Spent Fuel Storage Installation (ISFSI) decommissioning costs. Decommissioning costs for the ISFSI were submitted separately in December 17, 2012 (Reference) in conformance with revised 10 CFR 72.30 regulations.

(2) No additional sampling programs or costs have been identified for characterization of significant residual radioactivity in accordance with Regulatory Guide 4.22, "Decommissioning Planning During Operations," as part of the decommissioning planning requirements during operations as required by new

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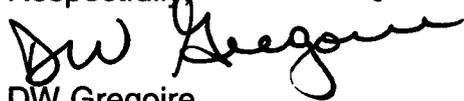
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regulation 10 CFR 20.1406(c) and revised regulations 10 CFR 20.1501(a) and (b), because CGS already has a Ground Water Protection Program via implementation of NEI 07-07, "Industry Ground Water Protection Initiative – Final Guidance Document," and has been inspected under Temporary Instruction (TI) 2515/173, "Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative," and TI 2515/185, "Follow-Up on the Industry's Ground Water Protection Initiative." This approach is acceptable for licensees under 10 CFR Part 50 that have implemented an NEI 07-07 program, as allowed in Regulatory Guide 4.22 and in conformance with TI 2600/017, "Review of the Implementation of the Decommissioning Planning Rule."

- (3) A summary for the 2012 Estimated Decommissioning Cost calculation in accordance with NUREG-1307, Revision 15, "Report on Waste Burial Charges – Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities," is included as Attachment 2.

There are no commitments being made to the NRC by this letter. Should you have any questions or require additional information pertaining to this report, please contact LL Williams at (509) 377-8148.

Respectfully,



DW Gregoire
Manager, Regulatory Affairs

Attachment 1: Columbia Generation Station Decommissioning Funding Schedule

Attachment 2: Columbia Generating Station – 2012 Estimated Decommissioning Cost Summary

cc: NRC Region IV Administrator
NRC NRR Project Manager
NRC Sr. Resident Inspector - 988C
AJ Rapacz – BPA/1399
DE Sandlin – BPA/1399
CD Sonoda – BPA/1399
WA Horin - Winston & Strawn

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Attachment 1

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Columbia Generating Station – Decommissioning Funding Schedule

Fiscal Year	Payment	Interest Earned	Account Balance
FY 2009 Actual	\$ -	\$ -	\$ 117,894,400
FY 2010 Actual	\$ -	\$ -	\$ 134,600,500
FY 2011 Actual	\$ -	\$ -	\$ 160,337,000
FY 2012 Actual	\$ -	\$ -	\$ 173,583,500
FY 2013	\$ 3,630,000	\$ 10,415,010	\$ 187,628,510
FY 2014	\$ 3,075,000	\$ 11,257,711	\$ 201,961,221
FY 2015	\$ 3,198,000	\$ 12,117,673	\$ 217,276,894
FY 2016	\$ 3,325,920	\$ 13,036,614	\$ 233,639,427
FY 2017	\$ 3,458,957	\$ 14,018,366	\$ 251,116,750
FY 2018	\$ 3,597,320	\$ 15,067,005	\$ 269,781,070
FY 2019	\$ 3,741,208	\$ 16,186,864	\$ 289,709,142
FY 2020	\$ 3,890,856	\$ 17,382,549	\$ 310,982,546
FY 2021	\$ 4,046,490	\$ 18,658,953	\$ 333,687,989
FY 2022	\$ 4,208,350	\$ 20,021,279	\$ 357,917,619
FY 2023	\$ 4,376,684	\$ 21,475,057	\$ 383,769,359
FY 2024	\$ 4,551,751	\$ 23,026,162	\$ 411,347,272
FY 2025	\$ 4,733,821	\$ 24,680,836	\$ 440,761,930
FY 2026	\$ 4,923,174	\$ 26,445,716	\$ 472,130,820
FY 2027	\$ 5,120,101	\$ 28,327,849	\$ 505,578,770
FY 2028	\$ 5,324,905	\$ 30,334,726	\$ 541,238,401
FY 2029	\$ 5,537,901	\$ 32,474,304	\$ 579,250,606
FY 2030	\$ 5,759,417	\$ 34,755,036	\$ 619,765,060
FY 2031	\$ 5,989,794	\$ 37,185,904	\$ 662,940,758
FY 2032	\$ 6,229,386	\$ 39,776,445	\$ 708,946,589
FY 2033	\$ 6,478,561	\$ 42,536,795	\$ 757,961,946
FY 2034	\$ 6,737,704	\$ 45,477,717	\$ 810,177,366
FY 2035	\$ 7,007,212	\$ 48,610,642	\$ 865,795,220
FY 2036	\$ 7,287,500	\$ 51,947,713	\$ 925,030,433
FY 2037	\$ 7,579,000	\$ 55,501,826	\$ 988,111,260
FY 2038	\$ 7,882,160	\$ 59,286,676	\$ 1,055,280,095
FY 2039	\$ 8,197,447	\$ 63,316,806	\$ 1,126,794,348
FY 2040	\$ 8,525,345	\$ 67,607,661	\$ 1,202,927,353
FY 2041	\$ 8,866,358	\$ 72,175,641	\$ 1,283,969,353
FY 2042	\$ 9,221,013	\$ 77,038,161	\$ 1,370,228,527
FY 2043	\$ 9,589,853	\$ 82,213,712	\$ 1,462,032,092
FY 2044	\$ 9,973,447	\$ 87,721,925	\$ 1,559,727,464

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Attachment 2

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Columbia Generating Station – 2012 Estimated Decommissioning Cost Summary

The 2012 CGS Decommissioning cost estimate followed guidelines in NUREG-1307, Revision 15 (Final Report published January 2013), with the exception that the guidance uses Labor and Energy Adjustment Factors for the First Quarter of 2012 (March 2012) in the example calculations, while Energy Northwest (EN) has chosen to use Labor and Energy Adjustment Factors for the Second Quarter of 2012 (June 2012). The reason for this exception is that EN's Fiscal Year ends in June and financial reporting to Bonneville Power Authority (BPA) is centered on the end of the Fiscal Year. With the difference noted, the methodology and basic information provided in NUREG-1307 Revision 15 has been followed in EN's calculation.

The following is a summary of the input values and source references:

Cost Equation

$$2012 \text{ Cost} = [1986 \text{ Cost}] * [A * Lx + B * Ex + C * Bx] \quad (1)$$

Where:

2012 Cost = Plant Decommissioning Cost Estimate for 2012

1986 Cost = Baseline decommissioning cost in 1986 dollars for a BWR Plant
With generating capacity greater than or equal to 3,400 MW Thermal

A = 0.65 (Average value provided in NUREG-1307)

B = 0.13 (Average value provided in NUREG-1307)

C = 0.22 (Average value provided in NUREG-1307)

Bx = 6.704 (Value from NUREG-1307 Rev 15, Table 2-1 for a BWR, Washington
Site Disposal by Compact-Affiliated Facility Only)

$$Lx = \text{Base Lx} * \text{ECI} / 100 \quad (2)$$

Where:

Base Lx = 2.06 (Provided in Table 3-2 of NUREG-1307 for West Area)

ECI = 116.3 (Employment Cost Index for 2nd Quarter of 2012 obtained from US
Bureau of Labor Statistics, Series ID CIU2010000000240I)

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Then,

$$Lx = 2.06 * (116.3 / 100) = 2.3958$$

$$Ex = 0.54 * Px + 0.46 * Fx \quad (3)$$

Where:

$$Px = 207.7 / 114.2 \text{ (June 2012 Code 0543 / Jan 1986 Code 0543)} = 1.8187$$

$$Fx = 284.6 / 82.0 \text{ (June 2012 Code 0573 / Jan 1986 Code 0573)} = 3.4707$$

Solving for Equation (3) yields:

$$Ex = 0.54 * 1.8187 + 0.46 * 3.4707 = 2.5787$$

Therefore, solving Equation (1) for parameter values described above yields:

$$2012 \text{ Cost} = [\$135,000,000] * [0.65 * 2.3958 + 0.13 * 2.5787 + 0.22 * 6.704]$$

$$2012 \text{ Cost} = \$454.6 \text{ Million}$$