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December 19, 2017
GO2-17-214

10 CFR 140.21

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

Subject: **COLUMBIA GENERATING STATION, DOCKET NO. 50-397
GUARANTEE OF PAYMENT OF DEFERRED PREMIUM**

- References:
1. Letter, G.C. Sorensen (Washington Public Power Supply System) to I. Dinitz (NRC), "Financial Guaranty – Secondary Financial Protection," GO2-84-514, dated July 12, 1984.
 2. Letter, J. Saltzman (NRC) to G.C. Sorensen (Washington Public Power Supply System), GI2-84-103, dated September 12, 1984.
 3. Letter, B. Ridge (Energy Northwest) to NRC, "Guarantee of Payment of Deferred Premium," GO2-12-187, dated December 20, 2012.

Dear Sir or Madam:

This letter is provided in compliance with 10 CFR 140.21, which requires annual filing of a guarantee of payment of deferred premiums limited to \$18,963,000 for each licensed reactor per incident within one calendar year.

Energy Northwest, a joint operating agency and municipal corporation for the State of Washington, obtains revenue from Columbia Generating Station by selling the capability of the plant. The Bonneville Power Administration (BPA), an agency of the U.S. Department of Energy, has purchased the entire capability of Columbia Generating Station from certain of its statutory preference customers known as Participants through agreements referred to as Net Billing Agreements. BPA and Energy Northwest (then known as Washington Public Power Supply System) entered into Net Billing Agreements with various Participants on the same terms. A representative sample of these agreements was previously provided in Reference 1.

Additionally, in May 2006, Energy Northwest and BPA entered into a Direct Pay Agreement and a copy of that agreement was previously provided in Reference 3. Among the terms of the Direct Pay Agreement, BPA agrees to pay to Energy Northwest all costs for the operation of Columbia Generating Station (less amounts Energy Northwest estimates it will receive from sources other than under the terms of any Net Billing Agreement relating to the operation of Columbia Generating Station) and an amount sufficient to maintain a reasonable working capital balance.

The terms of the Net Billing Agreements, Direct Pay Agreement, and BPA's obligations thereunder to pay Energy Northwest's operating costs and provide reasonable capital funds for Columbia Generating Station satisfies the requirements of 10 CFR 140.21. If you have any questions, please contact Ms. Cristina M. Reyff at (509) 377-4028.

There are no new commitments being made to the NRC by this letter.

Executed this 19th day of December, 2017.

Respectfully,



AW D. W. Gregoire
Manager, Regulatory Affairs and Performance Improvement

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