

July 7, 2003

Mr. Paul E. Norman
Senior Vice President
Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621

Dear Mr. Norman:

This letter acknowledges your letter of June 6, 2003, to Nuclear Regulatory Commission (NRC) Chairman Nils J. Diaz, which was a follow-up to discussions between Energy Northwest (owner and operator of Columbia Generating Station) and the Commission during NRC's April 2003 Regulatory Information Conference. You stated that the Bonneville Power Administration's (Bonneville's) financial situation does not affect safety at the Columbia Generating Station (Columbia). Further, Bonneville provides the operating budget for Columbia, Bonneville's contract with Energy Northwest specifically provides that nuclear safety has the highest priority, and payment of Columbia's costs have priority over all other Bonneville expenses.

The NRC staff appreciates greatly your communication on these matters and views positively Bonneville's continuing commitment to fund Columbia's costs to assure that nuclear safety is afforded the highest priority. It is important and an NRC requirement that public health and safety be maintained during Columbia's operating term and throughout its decommissioning.

Sincerely,

/RA/

Brian E. Thomas, Acting Program Director
Policy and Rulemaking Program
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

cc: Chairman Diaz
Commissioner McGaffigan
Commissioner Merrifield
B.S. Mallet, R2
J.V. Parrish, Energy Northwest
Energy Northwest Executive Board

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Energy Northwest Executive Board

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