

REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION NBR: 8612230464 DDC DATE: 86/12/18 NOTARIZED: NO DOCKET #
 FACIL: 50-397 WPPSS Nuclear Project, Unit 2, Washington Public Powe 05000397
 AUTH. NAME AUTHOR AFFILIATION
 SORENSEN, O. C. Washington Public Power Supply System
 RECIP. NAME RECIPIENT AFFILIATION
 ADEMSAM, E. G. BWR Project Directorate 3

SUBJECT: Responds to 10CFR140.21 requirement for annual filing of
 guarantee of payment of deferred premium. Util concurs w/BPA
 opinion, contained in author 841219 ltr to A Schwencer, that
 BPA responsible for meeting insurance obligation.

DISTRIBUTION CODE: M001D COPIES RECEIVED: LTR 1 ENCL 1 SIZE: 2
 TITLE: Insurance: Indemnity/Endorsement Agreements

NOTES:

	RECIPIENT ID CODE/NAME	COPIES LTTR ENCL	RECIPIENT ID CODE/NAME	COPIES LTTR ENCL
	BWR PD3 LA	1 1		
INTERNAL:	AEOD/PTB	1 1	<u>REG FILE</u> 01	1 1
	SP	1 1		
EXTERNAL:	LPDR 03	1 1	NRC PDR 02	1 1

TO: SAC, NEW YORK
FROM: SAC, NEW YORK
SUBJECT: [Illegible]

RE: [Illegible]

DATE: [Illegible]

[Illegible text block]

WASHINGTON PUBLIC POWER SUPPLY SYSTEM

P.O. Box 968 • 3000 George Washington Way • Richland, Washington 99352

8612230464 861218
PDR ADOCK 05000397
J PDR

Docket No. 50-397

G02-86-1069
December 18, 1986

Director of Nuclear Reactor Regulation
Attention: Ms. E. G. Adensam
BWR Project Directorate No. 3
Division of BWR Licensing
U.S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Ms. Adensam:

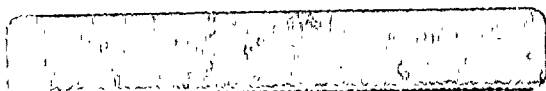
Subject: SUPPLY SYSTEM NUCLEAR PLANT NO. 2
OPERATING LICENSE NPF-21
GUARANTEE OF PAYMENT OF DEFERRED PREMIUM

Reference: Letter, G. C. Sorensen (Supply System) to
A Schwencer (NRC), same subject, dated December 19, 1984

This transmittal is in compliance with 10CFR 140.21 which requires annual filing of a guarantee of payment of deferred premiums in the amount of \$10 million for each licensed reactor.

The Supply System obtains revenue from Plant No. 2 by selling the capability of the plant. The Bonneville Power Administration (BPA), an agency of the Department of Energy, has purchased the entire capability of Plant No. 2 from certain of its statutory preference customers who, in turn, purchased such capability from the Supply System, all under the Net Billing Agreements. A copy of the Net Billing Agreements was included as an attachment to the referenced letter. Under the terms of the Net Billing Agreements, BPA is obligated to pay the total annual costs of Plant No. 2.

In Attachment 1 to the referenced letter, BPA's General Counsel provided the opinion that Bonneville is obligated to pay costs of ownership, operation, and maintenance, including cost of insurance, and specifically, that insurance obligation provided through the Price Anderson act.

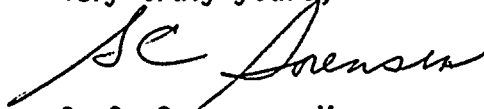


MOO 1
11

EG Adensam
Guarantee of Payment of Deferred Premium
Page 2

We believe that the opinion of Bonneville regarding their obligation to pay satisfies the requirements of 10CFR 140.21. If you require additional documentation, please contact Rich Bresnahan at (509) 372-5352.

Very truly yours,



G. C. Sorensen, Manager
Regulatory Programs

cc: JO Bradfute/NRC
I Dinitz/NRC
JB Martin/Region V
NS Reynolds/BLCP&R
RE Dodds/NRC site
JD Saltzman/NRC

