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 AUTH. NAME AUTHOR AFFILIATION  
 SORESEN, G.C. Washington Public Power Supply System  
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SUBJECT: Provides guarantee of payment of deferred premiums per  
 10CFR140.21.

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WASHINGTON PUBLIC POWER SUPPLY SYSTEM

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

November 30, 1989  
Docket No. 50-397  
G02-89-219

U.S. Nuclear Regulatory Commission  
Document Control Desk  
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Washington, DC 20555

Subject: SUPPLY SYSTEM 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 provided 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 to the Supply System.

It is the opinion of BPA's General Counsel that "Bonneville is obligated to pay costs of ownership, operation, and maintenance, including costs of insurance and specifically the insurance obligation provided through the Price Anderson Act."

The opinion of Bonneville regarding their obligation to pay satisfies the requirements of 10CFR 140.21(f). If you require additional documentation, please contact Ms. A. C. Marzette at (509) 372-5489.

Very truly yours,

*R. Latone*

G. C. Sorensen, Manager  
Regulatory Programs (MD 280)

cc: Mr. C. J. Bosted, Resident NRC Inspector (901A)  
Mr. J. B. Martin, Region V NRC  
Mr. N. S. Reynolds, Bishop, Cook, Purcell & Reynolds  
Mr. R. B. Samworth, NRC  
Mr. D. L. Williams, BPA (399)

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