

ENCLOSURE 1

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Docket Nos.: 50-321  
50-366

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

Edwin I. Hatch Nuclear Plant  
Financial Assurance Requirements for Decommissioning  
Nuclear Power Reactors (10 CFR 50.75(f)(1))

Ladies and Gentlemen:

Pursuant to 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC the status of its decommissioning funding for each reactor or part of each reactor it owns on a calendar year basis, beginning March 31, 1999, and every two years thereafter. Accordingly, Southern Nuclear Operating Company (Southern Nuclear) holds operating licenses DPR-7 and NPF-5 for the Edwin I. Hatch Nuclear Plant and submitted the required information on behalf of Georgia Power Company by letter NL-03-0693, dated March 26, 2003. Subsequent to submittal of the required information, Georgia Power Company identified an error in the information provided to the NRC in Enclosure 1 of Southern Nuclear letter NL-03-0693. Specifically, the rate of escalation in decommissioning costs (Item 4a) was incorrectly stated to be 3.6% for Edwin I. Hatch Nuclear Plant Unit 1 and Unit 2. The correct rate of escalation in decommissioning costs applicable to Edwin I. Hatch Nuclear Plant Unit 1 and Unit 2 is 4.7%, consistent with Georgia Public Service Commission Docket 14000-U dated December 20, 2001.

Southern Nuclear received a request for additional information from the NRC on September 10, 2003 regarding its March 26, 2003 submittal to the NRC regarding financial assurance for decommissioning. Specifically, the NRC requested the following:

- a. *In regards to the Biennial Decommissioning Trust Reports filed by Southern Company on behalf of the licenses it owns under the NRC, staff requires clarification in the form of a declarative statement as to the Real Rate of Interest used by Southern Company, in its forecast of future payments to the individual Decommissioning Trust Funds for each license. Although staff is able to imply the Real Rate of Interest by taking the nominal rate of interest and subtracting from it the tax rate and escalation, it has been determined that a declaring statement be made by Southern Company is necessary to comply with 10 CFR 50.75(f)(1).*

- b. If the Real Rate of Interest is greater than 2%, then an accompanying statement indicating that a higher Real Rate of Interest is authorized by the licensee's regulatory authority must be made (i.e., state public utility commission.)*

The real rate of interest used by Georgia Power Company for the Edwin I. Hatch Nuclear Plant Decommissioning Trust Fund, based on the corrected information provided above, is 1.8% for both Unit 1 and Unit 2 as approved by the Georgia Public Service Commission (Docket 14000-U, December 20, 2001).

This letter contains no NRC commitments. If you have any questions, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read "C. B. Howell". The signature is written in a cursive style with a large initial "C" and "H".