

Enclosure 1

Georgia Power Company Letter dated February 3, 2005

W. R. (Ron) Hinson, CPA, CMA
Vice President, Comptroller
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February 3, 2005

Docket Nos.: 50-321
50-366

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

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

Dear 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 on March 31, 1999, and every two years thereafter. Georgia Power Company (GPC) hereby submits the enclosed information in accordance with 10 CFR 50.75(f)(1) for operating licenses DPR-7 and NPF-5 issued for Edwin I. Hatch Nuclear Plant Unit 1 and 2, respectively. Southern Nuclear Operating Company, as the operating licensee and as an agent for the owners of the Edwin I. Hatch Nuclear Plant, is providing this information to the NRC on behalf of GPC.

Based on the information presented herein, there is reasonable assurance that the funding necessary for decommissioning the Edwin I. Hatch Nuclear Plant, consistent with the NRC prescribed minimum set forth in 10 CFR 50.75(c), will be available on the expiration date of operating licenses DPR-7 and NPF-5.

Please advise if you have any questions or comments regarding the information provided herein.

Respectfully submitted,

GEORGIA POWER COMPANY, by,

A handwritten signature in cursive script that reads "W. R. Hinson".

/TWS

Enclosure

cc: Southern Nuclear Operating Company
Mr. H. L. Sumner, Vice President – Hatch

U. S. Nuclear Regulatory Commission
Mr. C. Gratton, NRR Licensing Project Manager – Hatch
Dr. W. D. Travers, Regional Administrator
Mr. D. S. Simpkins, Senior Resident Inspector – Hatch

Enclosure

Edwin I. Hatch Nuclear Plant

Georgia Power Company Ownership Percentage – 50.1%

	10 CFR 50.75(f)(1) Requirement	Unit 1	Unit 2
1	The NRC minimum decommissioning estimate, pursuant to 10 CFR 50.75(b) and (c). ¹	\$ 214,269,000 ²	\$ 214,269,000 ²
2	The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75(b) and (c).	\$ 152,371,291	\$ 141,359,604
3	A schedule of the annual amounts remaining to be collected; for items in 10 CFR 50.75(b) and (c).	See Schedule in Attachment 1	See Schedule in Attachment 1
4	The assumptions used regarding: (a) rates of escalation in decommissioning costs; (b) rates of earnings on decommissioning funds; (c) real rate of return; and (d) rates of other factors used in funding projections.	Per GPSC Docket 18300-U 3.11% 5.11% 2.00% None	Per GPSC Docket 18300-U 3.11% 5.11% 2.00% None
5	Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).	None	None
6	Any modifications to a licensee's current method of providing financial assurance occurring since the last submitted report.	No modifications since the last report. Funding is to an External Sinking Fund with the source of funds from Traditional Cost of Service ratemaking as ordered by the GPSC in Docket 18300-U.	No modifications since the last report. Funding is to an External Sinking Fund with the source of funds from Traditional Cost of Service ratemaking as ordered by the GPSC in Docket 18300-U.
7	Any material changes to trust agreements.	None	None

NOTES:

¹ The NRC formulas in section 10 CFR 50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on-site until transfer to DOE are not included in the cost formulas.

² This number is based on NUREG-1307, Rev. 10, for the burial factor (Option 2) and the December 2003 values for labor and energy factors.

Attachment 1
Schedule of Annual Amounts Included in Current Rates
(Dollars in Thousands)
Plant Hatch

HATCH 1				
YEAR	BEG OF YEAR FUND BAL	FUND EARNINGS	FUND CONTRIB	END OF YEAR FUND BAL
2004				152,371
2005	152,371	7,936	3,667	163,974
2006	163,974	8,379	0	172,353
2007	172,353	8,807	0	181,160
2008	181,160	9,258	0	190,418
2009	190,418	9,730	0	200,148
2010	200,148	10,227	0	210,375
2011	210,375	10,751	0	221,126
2012	221,126	11,300	0	232,426
2013	232,426	11,877	0	244,303
2014	244,303	12,484	0	256,787
2015	256,787	13,122	0	269,909
2016	269,909	13,792	0	283,701
2017	283,701	14,498	0	298,199
2018	298,199	15,238	0	313,437
2019	313,437	16,017	0	329,454
2020	329,454	16,835	0	346,289
2021	346,289	17,695	0	363,984
2022	363,984	18,600	0	382,584
2023	382,584	19,550	0	402,134
2024	402,134	20,550	0	422,684
2025	422,684	21,599	0	444,283
2026	444,283	22,703	0	466,986
2027	466,986	23,863	0	490,849
2028	490,849	25,082	0	515,931
2029	515,931	26,364	0	542,295
2030	542,295	27,711	0	570,006
2031	570,006	29,127	0	599,133
2032	599,133	30,616	0	629,749
2033	629,749	32,181	0	661,930
2034	661,930	33,825	0	695,755
2035				
2036				
2037				
2038				

HATCH 2				
YEAR	BEG OF YEAR FUND BAL	FUND EARNINGS	FUND CONTRIB	END OF YEAR FUND BAL
				141,360
	141,360	7,352	3,160	151,871
	151,871	7,760	0	159,631
	159,631	8,157	0	167,788
	167,788	8,574	0	176,362
	176,362	9,012	0	185,374
	185,374	9,472	0	194,846
	194,846	9,957	0	204,803
	204,803	10,465	0	215,268
	215,268	11,000	0	226,268
	226,268	11,563	0	237,831
	237,831	12,153	0	249,984
	249,984	12,774	0	262,758
	262,758	13,427	0	276,185
	276,185	14,113	0	290,298
	290,298	14,834	0	305,132
	305,132	15,592	0	320,724
	320,724	16,389	0	337,113
	337,113	17,226	0	354,339
	354,339	18,106	0	372,445
	372,445	19,032	0	391,477
	391,477	20,004	0	411,481
	411,481	21,027	0	432,508
	432,508	22,102	0	454,610
	454,610	23,230	0	477,840
	477,840	24,417	0	502,257
	502,257	25,665	0	527,922
	527,922	26,977	0	554,899
	554,899	28,355	0	583,254
	583,254	29,804	0	613,058
	613,058	31,327	0	644,385
	644,385	32,928	0	677,313
	677,313	34,611	0	711,924
	711,924	36,379	0	748,303
	748,303	38,238	0	786,541

Beginning Balance	Net Earnings	Funding	Projected Total
152,371	539,717	3,667	695,755

Beginning Balance	Net Earnings	Funding	Projected Total
141,360	642,022	3,160	786,542