

**Enclosure 3**

Oglethorpe Power Corporation letter dated March 4, 2005

March 4, 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))

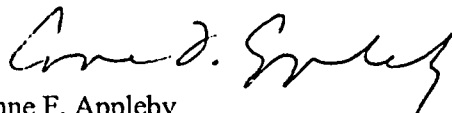
Dear Ladies and Gentlemen:

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. Oglethorpe Power Corporation (OPC) 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 OPC.

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,



Anne F. Appleby  
Vice President, Treasurer  
Oglethorpe Power Corporation

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

Oglethorpe Power Corporation

Betsy Higgins, CFO

Michael W. Price, COO

Clarence Mitchell, Sr. Vice President, Operations

## Enclosure

### Edwin I. Hatch Nuclear Plant

#### Oglethorpe Power Corporation Ownership Percentage – 30%

	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). <sup>1</sup>	\$ 128,305,000 <sup>2</sup>	\$ 128,305,000 <sup>2</sup>
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).	\$67,830,938	\$53,327,131
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.	(a) 3.11% (b) 7.00% (c) 3.89% (d) none	(a) 3.11% (b) 7.00% (c) 3.89% (d) 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.	none	none
7	Any material changes to trust agreements.	Re-allocated invested assets to increase diversification	Re-allocated invested assets to increase diversification

**NOTES:**

<sup>1</sup> 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.

<sup>2</sup> 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 the Annual Amounts Remaining to be Collected**  
**Oglethorpe Power Corporation**  
**2004 NRC MINIMUM**

**Hatch 1**

Earnings Rate: 7

Year	Balance Begin Year	Earnings	Contribution	Balance End Year
2004	62,467,282	5,363,656	0	67,830,938
2005	67,830,938	4,748,166	0	72,579,104
2006	72,579,104	5,080,537	0	77,659,641
2007	77,659,641	5,436,175	0	83,095,816
2008	83,095,816	5,816,707	0	88,912,523
2009	88,912,523	6,223,877	0	95,136,400
2010	95,136,400	6,659,548	0	101,795,948
2011	101,795,948	7,125,716	0	108,921,664
2012	108,921,664	7,624,516	0	116,546,180
2013	116,546,180	8,158,233	0	124,704,413
2014	124,704,413	8,729,309	0	133,433,722
2015	133,433,722	9,340,361	0	142,774,082
2016	142,774,082	9,994,186	0	152,768,268
2017	152,768,268	10,693,779	0	163,462,047
2018	163,462,047	11,442,343	0	174,904,390
2019	174,904,390	12,243,307	0	187,147,698
2020	187,147,698	13,100,339	0	200,248,036
2021	200,248,036	14,017,363	0	214,265,399
2022	214,265,399	14,998,578	0	229,263,977
2023	229,263,977	16,048,478	0	245,312,455
2024	245,312,455	17,171,872	0	262,484,327
2025	262,484,327	18,373,903	0	280,858,230
2026	280,858,230	19,660,076	0	300,518,306
2027	300,518,306	21,036,281	0	321,554,588
2028	321,554,588	22,508,821	0	344,063,409
2029	344,063,409	24,084,439	0	368,147,847
2030	368,147,847	25,770,349	0	393,918,197
2031	393,918,197	27,574,274	0	421,492,470
2032	421,492,470	29,504,473	0	450,996,943
2033	450,996,943	31,569,786	0	482,566,729
2034	482,566,729	33,779,671	0	516,346,401

**Hatch 2**

Earnings Rate: 7

Year	Balance Begin Year	Earnings	Contribution	Balance End Year
2004	49,110,347	4,216,784	0	53,327,131
2005	53,327,131	3,732,899	0	57,060,030
2006	57,060,030	3,994,202	0	61,054,232
2007	61,054,232	4,273,796	0	65,328,029
2008	65,328,029	4,572,962	0	69,900,991
2009	69,900,991	4,893,069	0	74,794,060
2010	74,794,060	5,235,584	0	80,029,644
2011	80,029,644	5,602,075	0	85,631,719
2012	85,631,719	5,994,220	0	91,625,940
2013	91,625,940	6,413,816	0	98,039,755
2014	98,039,755	6,862,783	0	104,902,538
2015	104,902,538	7,343,178	0	112,245,716
2016	112,245,716	7,857,200	0	120,102,916
2017	120,102,916	8,407,204	0	128,510,120
2018	128,510,120	8,995,708	0	137,505,828
2019	137,505,828	9,625,408	0	147,131,236
2020	147,131,236	10,299,187	0	157,430,423
2021	157,430,423	11,020,130	0	168,450,553
2022	168,450,553	11,791,539	0	180,242,091
2023	180,242,091	12,616,946	0	192,859,038
2024	192,859,038	13,500,133	0	206,359,170
2025	206,359,170	14,445,142	0	220,804,312
2026	220,804,312	15,456,302	0	236,260,614
2027	236,260,614	16,538,243	0	252,798,857
2028	252,798,857	17,695,920	0	270,494,777
2029	270,494,777	18,934,634	0	289,429,411
2030	289,429,411	20,260,059	0	309,689,470
2031	309,689,470	21,678,263	0	331,367,733
2032	331,367,733	23,195,741	0	354,563,474
2033	354,563,474	24,819,443	0	379,382,918
2034	379,382,918	26,556,804	0	405,939,722
2035	405,939,722	28,415,781	0	434,355,502
2036	434,355,502	30,404,885	0	464,760,388
2037	464,760,388	32,533,227	0	497,293,615
2038	497,293,615	34,810,553	0	532,104,168