

Enclosure 4

City of Dalton, Georgia letter dated February 21, 2005



February 21, 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. Accordingly, The Board of Water, Light and Sinking Fund Commissioners of the City of Dalton, Georgia, d/b/a Dalton Utilities, 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 Dalton Utilities.

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.

Should you have any questions concerning this matter, please contact Tom Bundros at either tbundros@dutil.com or (706) 529-1035.

Respectfully submitted,

Dan Cope
President and CEO

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

The City of Dalton Ownership Percentage – 2.2%

	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	\$ 9,409,000 ²	\$ 9,409,000 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).	\$ 13,950,421	\$ 13,273,003
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.	3.11% 7.28% 4.17% N/A	3.11% 7.28% 4.17% N/A
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.	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.

The Water, Light and Sinking Fund Commission of
The City of Dalton, GA
D/B/A Dalton Utilities
Nuclear Decommissioning Funds
Investment Balances
December 31, 2004

	Bank of New York			Wachovia Bank			Total Funds		
	Carrying Value	Market Value	Par Value	Carrying Value	Market Value	Par Value	Carrying Value	Market Value	Par Value
Plant Hatch									
Unit 1	4,703,204	7,163,727	14,100,000	7,146,895	6,786,694	13,050,224	11,850,099	13,950,421	27,150,224
Unit 2	4,073,614	6,815,864	18,200,000	6,190,182	6,457,139	16,844,970	10,263,796	13,273,003	35,044,970
Total	8,776,818	13,979,591	32,300,000	13,337,077	13,243,834	29,895,195	22,113,895	27,223,425	62,195,195
Plant Vogtle									
Unit 1	1,987,644	3,622,613	12,200,000	3,020,384	3,431,952	11,291,683	5,008,028	7,054,565	23,491,683
Unit 2	1,984,064	3,570,060	13,000,000	3,014,944	3,382,165	12,032,122	4,999,008	6,952,225	25,032,122
Total	3,971,708	7,192,673	25,200,000	6,035,328	6,814,117	23,323,805	10,007,036	14,006,790	48,523,805
Grand Total	12,748,525	21,172,264	57,500,000	19,372,405	20,057,951	53,219,000	32,120,930	41,230,214	110,719,000

Attachment 1
Schedule of the Annual Amounts Remaining to be Collected