



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

June 2, 2011

Mr. M. J. Ajluni  
Nuclear Licensing Director  
Southern Nuclear Operating Company, Inc.  
40 Inverness Center Parkway  
Post Office Box 1295, Bin - 038  
Birmingham, AL 35201-1295

SUBJECT: EDWIN I. HATCH NUCLEAR PLANT, UNIT NOS. 1 AND 2; AND  
VOGTLE ELECTRIC GENERATING PLANT, UNITS 1 AND 2 –  
2011 DECOMMISSIONING FUNDING STATUS REPORT – REQUEST  
FOR ADDITIONAL INFORMATION

Dear Mr. Ajluni:

Enclosed is the subject Request for Additional Information (RAI) for Edwin I. Hatch Nuclear Plant, Unit Nos. 1 and 2, and Vogtle Electric Generating Plant, Units 1 and 2 - 2011 Decommissioning Funding Status report from the Financial Analysis and International Projects Branch.

The Nuclear Regulatory Commission staff's request for additional information is enclosed. Please provide a response within thirty (30) days of the date of this letter.

Sincerely,

A handwritten signature in cursive script that reads "Patrick G. Boyle".

Patrick G. Boyle, Project Manager  
Plant Licensing Branch II-1  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-321, 50-366,  
50-424 and 50-425

Enclosure:  
RAI

cc w/ encl: Distribution via Listserv

REQUEST FOR ADDITIONAL INFORMATION  
BY THE OFFICE OF NUCLEAR REACTOR REGULATION  
2011 DECOMMISSIONING FUNDING STATUS REPORT  
FOR EDWIN I. HATCH NUCLEAR PLANT, UNIT NOS. 1 AND 2; AND  
VOGTLE ELECTRIC GENERATING PLANT, UNITS 1 AND 2

The Request for Additional Information (RAI) provided is in response to Edwin I. Hatch Nuclear Plant, Unit Nos. 1 and 2 (Hatch 1 and 2), and Vogtle Electric Generating Plant, Units 1 and 2 (Vogtle 1 and 2), 2011 Decommissioning Funding Status (DFS) reports. On March 29, 2011, Southern Nuclear Operating Company (the licensee, Southern Nuclear) submitted to the Nuclear Regulatory Commission (NRC) the 2011 DFS reports for Hatch 1 and 2 and Vogtle 1 and 2, as required under Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.75(f)(1) (Agencywide Documents Access and Management System (ADAMS) Accession No. ML110890334 – Hatch 1 and 2, and ADAMS Accession No. ML110890326 – Vogtle 1 and 2). Southern Nuclear should provide a response within 30 days from the date of this letter.

**RAI #1: Minimum DFA calculation**

Provide the basis for the use of the December 2009 values for the labor and energy factors used in calculating the minimum requirement for decommissioning financial assurance. If necessary, provide the values in 2010 dollars or provide a corrected submittal for that part of the DFS report.

On March 29, 2011, the Hatch 1 and 2, and Vogtle 1 and 2, DFS reports submitted by Southern Nuclear contained the amounts of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c) less than the amount calculated by the NRC staff.

According to 10 CFR 50.75(f)(1), the amount provided in the DFS report should be “the amount of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c).”

The formulas for the factors used by the NRC staff can be found using NUREG-1307, Rev. 14, “Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities.” For example, the calculations for the Labor and Energy Adjustment Factors can be found on pages 7 and 8 of NUREG-1307, Rev. 14.

**RAI #2: Citations for real rate of return:**

Provide the citations (e.g., an Order by the rate-regulatory authority) by the regulatory entity that allows for the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors assumed within the DFS reports for Hatch 1 and 2, and Vogtle 1 and 2.

Enclosure

Georgia Power Company (GPC):

On March 29, 2011, GPC reported the following:

2.42 percent rate of escalation in decommissioning costs, and  
4.42 percent rates of earnings on decommissioning funds.

Oglethorpe Power Corporation (OPC):

On March 29, 2011, OPC reported the following:

2.42 percent rate of escalation in decommissioning costs, and  
6.00 percent rates of earnings on decommissioning funds.

Municipal Electric Authority of Georgia (MEAG):

On March 29, 2011, MEAG reported the following:

3.60 percent rate of escalation in decommissioning costs, and  
5.60 percent rates of earnings on decommissioning funds.

City of Dalton (Dalton):

On March 29, 2011, Dalton reported the following:

2.42 percent rate of escalation in decommissioning costs, and  
6.41 percent rates of earnings on decommissioning funds.

As stated in 10 CFR 50.75(f)(1):

the information in [the DFS] report must include [. . .] the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. . .

**RAI #3: After-tax decommissioning funds as of December 31, 2010:**

Indicate if the amounts of decommissioning funds identified within the DFS report are the after-tax amounts of funds accumulated through December 31, 2010. If not, provide the after-tax amounts of decommissioning funds accumulated through December 31, 2010, for Hatch 1 and 2, and Vogtle 1 and 2.

On March 29, 2011, Southern Nuclear provided for GPC, OPC, MEAG, and Dalton (collectively known as the licensees), the amounts of funds 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), but did not indicate if the amounts stated were the before or after-tax balances.

The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report.

June 2, 2011

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Patrick G. Boyle, Project Manager  
Plant Licensing Branch II-1  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-321, 50-366,  
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RAI

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ADAMS Accession No.: ML11139A318

\* memo dated

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