

Southern Nuclear Operating Company  
P. O. Box 1295  
Birmingham, AL 35201  
Tel 205.992.5000



August 5, 2013

Docket Nos.: 50-424  
50-425

NL-13-1669

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

Vogtle Electric Generating Plant – Units 1 and 2  
Financial Assurance Requirements for Decommissioning  
Nuclear Power Reactors (10 CFR 50.75(f)(1) and (2))  
Response to NRC Request for Additional Information

Ladies and Gentlemen:

Southern Nuclear Operating Company (SNC) letter dated March 29, 2013 (NL-13-0677), provided the status of the decommissioning funding for Vogtle Electric Generating Plant (VEGP), on behalf of Georgia Power Company, Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and the City of Dalton, Georgia (the licensed owners), in accordance with the requirements of 10 CFR 50.75(f)(1) and (2). The NRC requested, by letter dated July 16, 2013, that SNC provide additional information to facilitate its review within 14 days of the NRC request. SNC verbally requested, and the NRC granted, an extension to the required response date for the request for additional information (RAI) to allow coordination of the responses with the licensed owners. Accordingly, Enclosures 1, 2, 3, and 4 provide the Georgia Power Company, Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and the City of Dalton, Georgia responses, respectively, to the NRC RAI dated July 16, 2013.

This letter contains no NRC commitments. If you have any questions, please contact Ken McElroy at (205) 992-7369.

Sincerely,

A handwritten signature in black ink that reads "C. R. Pierce". The signature is written in a cursive, flowing style.

C. R. Pierce  
Regulatory Affairs Director

CRP/EMW

Enclosures: 1. Georgia Power Company Response  
2. Oglethorpe Power Corporation Response  
3. Municipal Electric Authority of Georgia Response  
4. City of Dalton, Georgia Response

cc: City of Dalton, GA  
Mr. D. Cope, President and CEO

Georgia Power Company  
Ms. A. P. Daiss, Vice President, Comptroller and Chief Accounting Officer

Municipal Electric Authority of Georgia  
Mr. J. E. Fuller, Senior Vice President and CFO

Oglethorpe Power Corporation  
Ms. A. F. Appleby, Vice President, Treasurer

Southern Nuclear Operating Company  
Mr. S. E. Kuczynski, Chairman, President & CEO  
Mr. D. G. Bost, Executive Vice President & Chief Nuclear Officer  
Mr. T. E. Tynan, Vice President – Vogtle  
Mr. B. L. Ivey, Vice President – Regulatory Affairs  
Mr. B. J. Adams, Vice President – Fleet Operations  
Rtype: CVC7000

U. S. Nuclear Regulatory Commission  
Mr. V. M. McCree, Regional Administrator  
Mr. R. E. Martin, NRR Senior Project Manager – Vogtle  
Mr. L. M. Cain, Senior Resident Inspector – Vogtle

**Vogtle Electric Generating Plant – Units 1 and 2  
Financial Assurance Requirements for Decommissioning  
Nuclear Power Reactors (10 CFR 50.75(f)(1) and (2))  
Response to Request for Additional Information**

**Enclosure 1**

**Georgia Power Company Response**

**W. Ron Hinson**  
Executive Vice President  
Chief Financial Officer  
Treasurer and Comptroller

**Georgia Power Company**  
Bin 10124  
241 Ralph McGill Boulevard NE  
Atlanta, Georgia 30308-3374  
  
Tel 404.506.6641  
Fax 404.506.7752  
wrhinson@southernco.com

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Vogtle Electric Generating Plant – Units 1 and 2  
Response to NRC Request for Additional Information -  
Decommissioning Funding Certification

Ladies and Gentlemen,

By letter dated March 29, 2013, Southern Nuclear Operating Company (SNC) provided the report on the status of decommissioning in accordance with 10 CFR 50.75(f)(1) and (2) for the Vogtle Electric Generating Plant (VEGP) on behalf of Georgia Power Company (GPC). By letter dated July 16, 2013, the Nuclear Regulatory Commission (NRC) submitted a request for additional information (RAI) to SNC and requested the required information be provided within 14 days of issuance of the NRC request. Accordingly, GPC's response to NRC RAI Question 1 for VEGP is enclosed.

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

Respectfully submitted,

GEORGIA POWER COMPANY  
By: W. R. Hinson  
Executive Vice President, Chief Financial Officer,  
Treasurer and Comptroller

Enclosure

Vogtle Electric Generating Plant – Units 1 and 2  
Response to NRC Request for Additional Information -  
Decommissioning Funding Certification

ENCLOSURE

Georgia Power Company Response

NRC Request:

Section 50.75(f)(1) and (2) to Title 10 to the Code of Federal Regulations (10 CFR) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report. In the March 29, 2013, reports, the licensee did not state if the amount of decommissioning funds accumulated for the facilities were an after-tax amount. 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. Provide the after-tax amount of funds accumulated through December 31, 2012 for each unit.

Georgia Power Company Response:

The requirements of 10 CFR 50.75(f)(1) and (2) are essentially identical with (f)(1) specifically addressing the timing of the reporting requirements for those plants that have been issued a combined operating license in accordance with the provisions of 10 CFR Part 52. For the Vogtle Electric Generating Plant, Units 1 and 2 (VEGP), this provision does not apply and the RAI response is based on the requirements of 10 CFR 50.75(f)(2).

Georgia Power Company (GPC) utilizes the external sinking fund in accordance with the provisions of 10 CFR 50.75(e)(1)(ii) as the method for providing financial assurance of decommissioning required by 10 CFR 50.75(b)(1) for its ownership share of VEGP. The external sinking fund established for this purpose is in the form of an external trust and is comprised of equities, fixed-income investments, and cash or cash-equivalents and as such, includes both realized and unrealized gains/losses.

The financial assurance reporting requirements of 10 CFR 50.75(f)(2) specifically require each licensee to report the amount of decommissioning funds accumulated to the end of the calendar year preceding the date of the report. Accordingly, the report provided by GPC of financial assurance of decommissioning funding submitted by SNC letter NL-13-0677, dated March 29, 2013, reflects the trust fund balance as of December 31, 2012, as shown on the statement provided by the trustee. In past inspections, the NRC has historically relied on the balance reported by the trustee as its basis for confirming the information provided by the licensee is complete and accurate in accordance with the requirements of 10 CFR 50.9.

In summary, the amount of decommissioning funds accumulated to the end of December 2012 previously reported by SNC letter dated March 29, 2013, represents the after-tax balance for the trust funds established for the purpose of providing decommissioning funding assurance for VEGP. That is, the tax liability has been paid on realized gains for investments held by the trust and the trust balance will be adjusted, as appropriate, to account for gains/losses and any corresponding tax implications at the time the gains/losses are realized.

**Vogle Electric Generating Plant – Units 1 and 2  
Financial Assurance Requirements for Decommissioning  
Nuclear Power Reactors (10 CFR 50.75(f)(1) and (2))  
Response to Request for Additional Information**

**Enclosure 2**

**Oglethorpe Power Corporation Response**



**OglethorpePower**

*An Electric Membership Corporation*

August 1, 2013

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50-425

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Washington, D. C. 20555-0001

Vogtle Electric Generating Plant – Units 1 and 2  
Response to NRC Request for Additional Information -  
Decommissioning Funding Certification

Ladies and Gentlemen,

By letter dated March 29, 2013, Southern Nuclear Operating Company (SNC) provided the report on the status of decommissioning in accordance with 10 CFR 50.75(f)(1) and (2) for the Vogtle Electric Generating Plant, Units 1 and 2 (VEGP), on behalf of Oglethorpe Power Corporation (OPC). By letter dated July 16, 2013, the Nuclear Regulatory Commission (NRC) submitted a request for additional information (RAI) to SNC and requested the required information be provided within 14 days of issuance of the NRC request. Accordingly, OPC's response to RAI Questions 1 and 2 for VEGP are enclosed.

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



Vogtle Electric Generating Plant – Units 1 and 2  
Response to NRC Request for Additional Information -  
Decommissioning Funding Certification

ENCLOSURE

Oglethorpe Power Corporation Response

NRC Request for Additional Information -1

Section 50.75(f)(1) and (2) to Title 10 to the Code of Federal Regulations (10 CFR) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report. In the March 29, 2013, reports, the licensee did not state if the amount of decommissioning funds accumulated for the facilities were an after-tax amount. 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. Provide the after-tax amount of funds accumulated through December 31, 2012 for each unit.

Oglethorpe Power Corporation Response

The requirements of 10 CFR 50.75(f)(1) and (2) are essentially identical with (f)(1) specifically addressing the timing of the reporting requirements for those plants that have been issued a combined operating license in accordance with the provisions of 10 CFR Part 52. For the Vogtle Electric Generating Plant, Units 1 and 2 (VEGP), this provision does not apply and the RAI response is based on the requirements of 10 CFR 50.75(f)(2).

Oglethorpe Power Corporation (OPC) utilizes an external sinking fund in accordance with the provisions of 10 CFR 50.75(e)(1)(ii) as the method for providing financial assurance of decommissioning required by 10 CFR 50.75(b)(1) for its ownership share of VEGP. As a taxable cooperative, OPC is treating all of its income and expenses as patronage sourced. Patronage income is determined on the basis of taxable income. OPC has reported a net taxable income of \$0. As such, the balances provided by SNC letter NL-13-0677, dated March 29, 2013, represent after-tax dollars.

NRC Request for Additional Information -2

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...

On March 29, 2013, the Oglethorpe Power Corporation (OPC) reported the following:

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

Provide the citation (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, rate 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.



Oglethorpe Power Corporation Response

The regulatory entity responsible for the various rates of escalation, earnings, and other factors is the Oglethorpe Power Board of Directors. These assumptions are reviewed and approved as part of the annual Long Range Financial Forecast. The annual Long Range Financial Forecast was most recently reviewed and approved by Oglethorpe Power's Board of Directors on March 25, 2013.

**Vogtle Electric Generating Plant – Units 1 and 2  
Financial Assurance Requirements for Decommissioning  
Nuclear Power Reactors (10 CFR 50.75(f)(1) and (2))  
Response to Request for Additional Information**

**Enclosure 3**

**Municipal Electric Authority of Georgia Response**



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Washington, D. C. 20555-0001

Vogtle Electric Generating Plant – Units 1 and 2  
Response to NRC Request for Additional Information -  
Decommissioning Funding Certification

Ladies and Gentlemen,

By letter dated March 29, 2013, Southern Nuclear Operating Company (SNC) provided the report on the status of decommissioning in accordance with 10 CFR 50.75(f)(1) and (2) for the Vogtle Electric Generating Plant, Units 1 and 2 (VEGP), on behalf of the Municipal Electric Authority of Georgia (MEAG). By letter dated July 16, 2013, the Nuclear Regulatory Commission (NRC) submitted a request for additional information (RAI) to SNC and requested the required information be provided within 14 days of issuance of the NRC request. Accordingly, MEAG's response to RAI Question 1 for VEGP is enclosed.

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

MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA, by,

A handwritten signature in black ink that reads "James E. Fuller".

James E. Fuller  
Senior Vice President, Chief Financial Officer

Enclosure

Municipal Electric Authority of Georgia  
1470 Riveredge Parkway, NW  
Atlanta, Georgia 30328-4686

1-800-333-MEAG 770-563-0300  
Fax 770-953-3141

Vogtle Electric Generating Plant – Units 1 and 2  
Response to NRC Request for Additional Information -  
Decommissioning Funding Certification

ENCLOSURE

Municipal Electric Authority of Georgia Response

NRC Request:for Additional Information -1

Section 50.75(f)(1) and (2) to Title 10 to the Code of Federal Regulations (10 CFR) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report. In the March 29, 2013, reports, the licensee did not state if the amount of decommissioning funds accumulated for the facilities were an after-tax amount. 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. Provide the after-tax amount of funds accumulated through December 31, 2012 for each unit.

Municipal Electric Authority of Georgia

The requirements of 10 CFR 50.75(f)(1) and (2) are essentially identical with (f)(1) specifically addressing the timing of the reporting requirements for those plants that have been issued a combined operating license in accordance with the provisions of 10 CFR Part 52. For the Vogtle Electric Generating Plant, Units 1 and 2 (VEGP), this provision does not apply and the RAI response is based on the requirements of 10 CFR 50.75(f)(2).

The Municipal Electric Authority of Georgia (MEAG) utilizes an external sinking fund in accordance with the provisions of 10 CFR 50.75(e)(1)(ii) as the method for providing financial assurance of decommissioning required by 10 CFR 50.75(b)(1) for its ownership share of VEGP. MEAG is exempt from federal and state income taxes and as such, the balances provided by SNC letter NL-13-0677, dated March 29, 2013, represent after-tax dollars.

**Vogtle Electric Generating Plant  
Financial Assurance Requirements for Decommissioning  
Nuclear Power Reactors (10 CFR 50.75(f)(1) and (2))  
Response to Request for Additional Information**

**Enclosure 4**

**City of Dalton, Georgia Response**



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Vogtle Electric Generating Plant – Units 1 and 2  
Response to NRC Request for Additional Information -  
Decommissioning Funding Certification

Ladies and Gentlemen,

By letter dated March 29, 2013, Southern Nuclear Operating Company (SNC) provided the report on the status of decommissioning in accordance with 10 CFR 50.75(f)(1) and (2) for the Vogtle Electric Generating Plant, Units 1 and 2 (VEGP), on behalf of Dalton Utilities (Dalton). By letter dated July 16, 2013, the Nuclear Regulatory Commission (NRC) submitted a request for additional information (RAI) to SNC and requested the required information be provided within 14 days of issuance of the NRC request. Accordingly, Dalton's response to RAI Question 1 for VEGP is enclosed.

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

Respectfully submitted,

DALTON UTILITIES, by

A handwritten signature in black ink, appearing to read "Dale [unclear]", is written over the text "DALTON UTILITIES, by".

Enclosure

Vogtle Electric Generating Plant – Units 1 and 2  
Response to NRC Request for Additional Information -  
Decommissioning Funding Certification

ENCLOSURE

Dalton Utilities Response

NRC Request:for Additional Information -1

Section 50.75(f)(1) and (2) to Title 10 to the Code of Federal Regulations (10 CFR) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report. In the March 29, 2013, reports, the licensee did not state if the amount of decommissioning funds accumulated for the facilities were an after-tax amount. 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. Provide the after-tax amount of funds accumulated through December 31, 2012 for each unit.

Dalton Utilities Response

The requirements of 10 CFR 50.75(f)(1) and (2) are essentially identical with (f)(1) specifically addressing the timing of the reporting requirements for those plants that have been issued a combined operating license in accordance with the provisions of 10 CFR Part 52. For the Vogtle Electric Generating Plant, Units 1 and 2 (VEGP), this provision does not apply and the RAI response is based on the requirements of 10 CFR 50.75(f)(2).

Dalton Utilities (Dalton) utilizes an external sinking fund in accordance with the provisions of 10 CFR 50.75(e)(1)(ii) as the method for providing financial assurance of decommissioning required by 10 CFR 50.75(b)(1) for its ownership share of VEGP. Dalton is exempt from federal and state income taxes and as such, the balances provided by SNC letter NL-13-0677, dated March 29, 2013, represent after-tax dollars.