

Southern Nuclear Operating Company
P. O. Box 1295
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August 5, 2013

Docket Nos.: 50-321
50-366

NL-13-1668

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

Edwin I. Hatch Nuclear Plant
Financial Assurance Requirements for Decommissioning
Nuclear Power Reactors (10 CFR 50.75(f)(1) and (2))
Response to Request for Additional Information

Ladies and Gentlemen:

Southern Nuclear Operating Company (SNC) letter dated March 29, 2013 (NL-13-0676), provided the status of the decommissioning funding for Edwin I. Hatch Nuclear Plant (HNP), 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 response 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 cursive script that reads "C. R. Pierce".

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. D. R. Madison, Vice President – Hatch
Mr. B. L. Ivey, Vice President – Regulatory Affairs
Mr. B. J. Adams, Vice President – Fleet Operations
Rtype: CHA02.004

U. S. Nuclear Regulatory Commission
Mr. V. M. McCree, Regional Administrator
Mr. R. E. Martin, NRR Senior Project Manager –Hatch
Mr. E. D. Morris, Senior Resident Inspector – Hatch

**Edwin I. Hatch Nuclear Plant
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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U. S. Nuclear Regulatory Commission
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Washington, D. C. 20555-0001

Edwin I. Hatch Nuclear 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 Edwin I. Hatch Nuclear Plant (HNP) 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 HNP 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

Edwin I. Hatch Nuclear 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 Edwin I. Hatch Nuclear Plant, Units 1 and 2 (HNP), 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 HNP. 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.

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 to the 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 HNP. 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.

**Edwin I. Hatch Nuclear Plant
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

August 1, 2013

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Washington, D. C. 20555-0001

Edwin I. Hatch Nuclear 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 Edwin I. Hatch Nuclear Plant (HNP) 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 HNP 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



Edwin I. Hatch Nuclear 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 Edwin I. Hatch Nuclear Plant, Units 1 and 2 (HNP), 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 HNP. 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-13-0676, 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.

**Edwin I. Hatch Nuclear Plant
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



Docket Nos.: 50-321
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Washington, D. C. 20555-0001

Edwin I. Hatch Nuclear 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 Edwin I. Hatch Nuclear Plant (HNP) 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 HNP is enclosed.

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

Respectfully submitted,

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

Edwin I. Hatch Nuclear 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 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 Edwin I. Hatch Nuclear Plant, Units 1 and 2 (HNP), 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 HNP. MEAG is exempt from federal and state income taxes and as such, the balances provided by SNC letter NL-13-0676, dated March 29, 2013, represent after-tax dollars.

**Edwin I. Hatch Nuclear 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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Edwin I. Hatch Nuclear 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 Edwin I. Hatch Nuclear Plant (HNP) 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 HNP 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 Ape", is written over the text "DALTON UTILITIES, by".

Enclosure

Edwin I. Hatch Nuclear 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 Edwin I. Hatch Nuclear Plant, Units 1 and 2 (HNP), 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 HNP. Dalton is exempt from federal and state income taxes and as such, the balances provided by SNC letter NL-13-0676, dated March 29, 2013, represent after-tax dollars.