

**Edwin I. Hatch Nuclear Plant
Financial Assurance Requirements for Decommissioning
Nuclear Power Reactors (10 CFR 50.75(f)(1))**

Enclosure 2

Oglethorpe Power Corporation Response



March 3, 2015

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-57 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-57 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



Enclosure

Edwin I. Hatch Nuclear Plant

Oglethorpe Power Corporation Ownership Percentage – 30.0%

	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	\$193,937,000 ²	\$193,937,000 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).	\$126,616,000	\$99,542,000
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: <ul style="list-style-type: none"> (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.* 	2.41% 6.00% 3.59% None	2.41% 6.00% 3.59% 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.	In May 2013 replaced the international equity manager with another international equity manager	In May 2013 replaced the international equity manager with another international equity manager

*As a rural electric cooperative, OPC's budget is approved by its Board of Directors annually. The budget includes a 6% rate of earnings assumption for the Hatch and Vogtle Nuclear Decommissioning Trust Funds. The 6% rate of earnings assumption less the 2.41% escalation rate results in a real rate of return of 3.59%

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 amount is based on NUREG-1307, Rev. 15, for the burial factor (Option 2) and the December 2014 BLS data for labor and energy.

Attachment 1
Schedule of the Annual Amounts Remaining to be Collected
Oglethorpe Power Corporation
2014 NRC MINIMUM

Hatch 1

Earnings Rate: 6

Year	Balance Begin Year	Earnings	Contribution	Balance End Year
2014	118,944,451	7,136,667	0	126,615,687
2015	126,615,687	7,596,941	0	134,212,628
2016	134,212,628	8,052,758	0	142,265,386
2017	142,265,386	8,535,923	0	150,801,309
2018	150,801,309	9,048,079	0	159,849,388
2019	159,849,388	9,590,963	0	169,440,351
2020	169,440,351	10,166,421	0	179,606,772
2021	179,606,772	10,776,406	0	190,383,178
2022	190,383,178	11,422,991	0	201,806,169
2023	201,806,169	12,108,370	0	213,914,539
2024	213,914,539	12,834,872	0	226,749,411
2025	226,749,411	13,604,965	0	240,354,376
2026	240,354,376	14,421,263	0	254,775,639
2027	254,775,639	15,286,538	0	270,062,177
2028	270,062,177	16,203,731	0	286,265,908
2029	286,265,908	17,175,954	0	303,441,862
2030	303,441,862	18,206,512	0	321,648,374
2031	321,648,374	19,298,902	0	340,947,276
2032	340,947,276	20,456,837	0	361,404,113
2033	361,404,113	21,684,247	0	383,088,360
2034	383,088,360	22,985,302	0	406,073,661

319,779,000
NRC Min
from 2/15 letter

Hatch 2

Earnings Rate: 6

Year	Balance Begin Year	Earnings	Contribution	Balance End Year
2014	93,511,406	5,610,684	0	99,542,356
2015	99,542,356	5,972,541	0	105,514,897
2016	105,514,897	6,330,894	0	111,845,791
2017	111,845,791	6,710,747	0	118,556,539
2018	118,556,539	7,113,392	0	125,669,931
2019	125,669,931	7,540,196	0	133,210,127
2020	133,210,127	7,992,608	0	141,202,734
2021	141,202,734	8,472,164	0	149,674,899
2022	149,674,899	8,980,494	0	158,655,392
2023	158,655,392	9,519,324	0	168,174,716
2024	168,174,716	10,090,483	0	178,265,199
2025	178,265,199	10,695,912	0	188,961,111
2026	188,961,111	11,337,667	0	200,298,778
2027	200,298,778	12,017,927	0	212,316,704
2028	212,316,704	12,739,002	0	225,055,706
2029	225,055,706	13,503,342	0	238,559,049
2030	238,559,049	14,313,543	0	252,872,592
2031	252,872,592	15,172,356	0	268,044,947
2032	268,044,947	16,082,697	0	284,127,644
2033	284,127,644	17,047,659	0	301,175,303
2034	301,175,303	18,070,518	0	319,245,821
2035	319,245,821	19,154,749	0	338,400,570
2036	338,400,570	20,304,034	0	358,704,604
2037	358,704,604	21,522,276	0	380,226,881
2038	380,226,881	22,813,613	0	403,040,493

351,738,000
NRC Min
from 2/15 letter