

MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA

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February 10, 1984

Director of Nuclear Reactor Regulation
ATTN: Ms. E. G. Adensam
Chief, Licensing Branch No. 4
Division of Licensing
United States Nuclear Regulatory Commission
Washington, D.C. 20555

File: X6BC01
Log: GN-316

Re: NRC Dockets Numbers 50-424 and 50-425;
Construction Permit Numbers CPPR-108 and
CPPR-109; Vogtle Electric Generating Plant,
Units Number 1 and Number 2

Dear Madam:

This letter outlines the financial plans of the Municipal Electric Authority of Georgia (the "Authority") for financing construction of generating facilities which we jointly own with Oglethorpe Power Corporation, Georgia Power Company and the City of Dalton, including the Vogtle Electric Generating Plant, and includes a number of attachments for your information in regard to the above dockets, and relating to the financial qualifications of the Authority with respect to consideration of the application for the amendment of the Construction Permits dated June 28, 1974.

The Authority presently has three projects and a fourth project which is the subject of this proceeding. The facilities being financed under each project are as follows:

Project One

<u>Facility</u>	<u>Authority Ownership %</u>	<u>Status</u>
Hatch Nuclear Plant-Two Units	17.7	In Service
Wansley Steam Plant-Two Units	10.0	In Service
Vogtle Electric Generating Plant- Two Units	17.7	Under Construction
Scherer Steam Plant-Units No. 1 and No. 2	10.0	In Service

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In addition to these generating facilities, the Authority is financing the purchase and construction of transmission facilities under Project One.

Project Two

<u>Facility</u>	<u>Authority Ownership %</u>	<u>Status</u>
Wansley Steam Plant-Two Units	5.1	In Service
Scherer Steam Plant-Units No. 1 and No. 2	5.1	In Service

Project Three

<u>Facility</u>	<u>Authority Ownership %</u>	<u>Status</u>
Scherer Steam Plant-Units No. 1 and No. 2	15.1	In Service

Proposed Project Four

<u>Facility</u>	<u>Authority Ownership %</u>	<u>Status</u>
Vogtle Electric Generating Plant- Two Units	5	Under Construction

The Authority is a public corporation and an instrumentality of the State of Georgia and was created by an Act of the 1975 Session of the General Assembly of the State of Georgia to supply electricity to municipal distribution systems. Pursuant to the Act, a copy of which is provided herewith, the Authority is empowered to issue tax-exempt Power Revenue Bonds to finance the purchase of generation and transmission facilities.

Acquisition of Project One facilities is financed by the issuance of revenue bonds pursuant to the Power Revenue Bond Resolution adopted August 30, 1976, as subsequently amended. Bonds in an aggregate principal amount of \$3,725,000,000 have been validated for Project One. Bonds totaling \$1,250,000,000 have been issued to date under the Power Revenue Bond Resolution. In addition, \$125,000,000 intermediate-term and \$155,910,000 short-term bond anticipation notes are outstanding.

Acquisition of Project Two facilities and Project Three facilities is financed by the issuance of revenue bonds pursuant to the General Power Revenue Bond Resolution adopted April 19, 1978. Bonds in an aggregate principal amount of \$260,000,000 have been validated for Project Two, of which \$100,000,000 have been issued to date. In addition, \$12,250,000 in bond anticipation notes are outstanding for Project Two. Bonds in the principal amount of \$300,000,000 have been validated for Project Three, of which \$150,000,000 are outstanding. In addition, \$72,625,000 in bond anticipation notes are outstanding for Project Three.

The Authority plans to finance Project Four through the validation and issuance of additional bonds under the General Power Revenue Bond Resolution. The resolutions permit the issuance of additional bonds for certain purposes, including completion of the projects. The Authority is authorized by the Act and required under the resolutions to charge and collect rates to provide revenues sufficient, together with other available funds pledged under the resolution, to pay all costs associated with the projects, including debt service.

The Authority's bonds issued to finance its Projects are rated A1 by Moody's Investors Service, Inc. and AA(-) by Standard & Poor's Corporation.

Forty-six cities and one county (the Participants) of the State of Georgia have contracted for power with the Authority. The Authority has entered into a Project One Power Sales Contract, a Project Two Power Sales Contract, a Project Three Power Sales Contract and a Project Four Power Sales Contract with each Participant. Each contract provides that the Participant is obligated to pay for the output and services of the projects in accordance with predetermined formulas and rates established and maintained by the Authority which will provide revenues sufficient to pay all the Authority's costs associated with the projects, including debt service unless provided for from bond proceeds.

Payments are required to be made by the Participants whether or not the projects, or any parts thereof, are completed or are then operating or operable. Each power sales contract will continue in full force and effect at least until such time, not to exceed 50 years, as all bonds have been paid or provision has been made for their payment. In proceedings relating to the validation of bonds for Projects One, Two and Three, the courts concluded that each Participant's payment obligations under the power sales contracts are general obligations to the payment of which its full faith and credit are pledged. Each Participant has covenanted to maintain and collect rates to provide revenues sufficient to make such payments. If payment is not made from electric system revenues or funds, the Participant is required to include in its general revenue or appropriation measure sums sufficient to make required payments under the contracts.

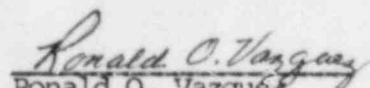
The Authority has a revolving credit and term loan agreement with a consortium of banks which allows the Authority to borrow up to \$50,000,000 in term advances and \$100,000,000 in revolving credit advances until March 31, 1986. Advances under this line of credit can be used for cost of acquisition and construction of the projects. In addition to these bank lines, the Authority utilizes the issuance of tax-exempt commercial paper as another means of financing nuclear fuel and other project costs.

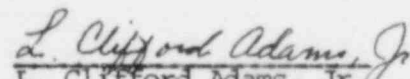
The following information is submitted herewith:

- Attachment 1 - Detailed statement of the Authority's financing plan for its ownership share of Plant Vogtle;
- Attachment 2 - Authority's Investment in Plant Vogtle at February 10, 1984, and projected to closing of additional 5% interest;
- Attachment 3 - Summary of Authority Financings;
- Attachment 4 - Copy of Series I Official Statement and 1984A Series Official Statement;
- Attachment 5 - Financial Statements;
- Attachment 6 - Form of Project Four Power Sales Contract;
- Attachment 7 - Vogtle Agreements;
- Attachment 8 - The Authority's Bond Validations;
- Attachment 9 - Statement on Requirement for S.E.C. Approval; and
- Attachment 10 - The Authority's Rate Fixing Power.

If you should require further information regarding our financing plans, please call me.

Very truly yours,


Ronald O. Vazquez
Director of Financial
Services


L. Clifford Adams, Jr.
General Counsel

cc: Mr. Jim Peterson