

William T. O'Connor, Jr.  
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Fermi 2  
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**Detroit Edison**



*A DTE Energy Company*

March 26, 2001  
NRC-01-0024

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

Reference: Fermi 2  
NRC Docket No. 50-341  
NRC License No. NPF-43

Subject: Decommissioning Funding Status Report for Fermi 2

Fermi 2 is an operating boiling water reactor with a licensed power of 3430 MWt. Its operating license expires in 2025.

The requested biennial decommissioning fund information required by 10 CFR 50.75(f)(1) on the status of Detroit Edison's decommissioning funds for Fermi 2, reported in 2000 dollars, is provided as an enclosure to this letter. An external sinking fund is being used to accumulate monies for the decommissioning of Fermi 2.

Should you have any questions or require additional information, please contact Mr. Norman K. Peterson of my staff at (734) 586-4258.

Sincerely,

A handwritten signature in cursive script, appearing to read "William O'Connor".

Enclosure

cc: M. A. Ring  
M. A. Shuaibi  
NRC Resident Office  
Regional Administrator, Region III  
Supervisor, Electric Operators,  
Michigan Public Service Commission

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**ENCLOSURE TO  
NRC-01-0024**

**FERMI 2**

**NRC DECOMMISSIONING FUNDING STATUS REPORT**

**Fermi 2  
NRC Docket No. 50-341  
NRC License No. NPF-43**

## NRC Decommissioning Funding Status Report Fermi 2

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter on the status of its decommissioning funding for each reactor or share of reactor it owns. Although any reporting format is acceptable, the reporting format below describes the minimum amount of information that can be provided:

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)<sup>1</sup>. \$655,290,000
  
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). (Alternatively, the total amount accumulated at the end of the calendar year preceding the date of the report can be reported here if the cover letter transmitting the report provides the total estimate and indicates what portion of that estimate is for items not included in 10 CFR 50.75 (b) and (c)). \$350,555,094
  
3. A schedule of the annual amounts remaining to be collected; for items in 10 CFR 50.75 (b) and (c). (Alternatively, the annual amounts remaining to be collected can include items beyond those required in 10 CFR 50.75 (b) and (c) if the cover letter transmitting the report provides a total cost estimate and indicates what portion of that estimate is for items that are not included in 10 CFR 50.75 (b) and (c)).  

amount remaining (1-2)	\$304,734,906
#years to collect ('01-'25)	24
  
4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.

All decommissioning costs are assumed to increase at 6% annually; decommissioning funds are assumed to earn at a composite rate of 7% after tax.

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<sup>1</sup> 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.

**NRC Decommissioning Funding Status Report  
Fermi 2 (Continued)**

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(ii)(c). None
6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report:
- On June 19, 2000, the Michigan Public Service Commission issued a series of enabling orders related to recently enacted electric utility restructuring legislation (2000 PAs 141 & 142). The legislation codified previous Commission orders related to restructuring, therefore Detroit Edison will continue to collect the nuclear decommissioning surcharge from customers choosing direct access authorized in U-11290 and related orders.
7. Any material changes to trust agreements None