

William T. O'Connor, Jr.  
Vice President, Nuclear Generation

Fermi 2  
6400 North Dixie Hwy., Newport, Michigan 48166  
Tel: 734.586.5201 Fax: 734.586.4172

**Detroit Edison**



*A DTE Energy Company*

10 CFR 50.75(f)(1)

March 26, 2003  
NRC-03-0031

U. S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, DC 20555-0001

References: 1) Enrico Fermi Atomic Power Plant, Unit No. 1  
NRC Docket No. 50-16  
NRC License No. DPR-9

Subject: Decommissioning Funding Status Report for Fermi 1

This letter provides the report required by 10 CFR 50.75(f)(1) on the status of Detroit Edison's decommissioning fund for Fermi 1.

Fermi 1 is a permanently shutdown experimental sodium cooled breeder reactor, which last operated in 1972. It is in the SAFSTOR status and its possession-only license expires in 2025. Decommissioning activities are being performed with the goal of removing the radioactive material and terminating the Fermi 1 license. The cost of decommissioning was re-evaluated. This evaluation was based on the existing site-specific estimate, adjusted by an engineering review and the creation of a full nuclear decommissioning schedule.

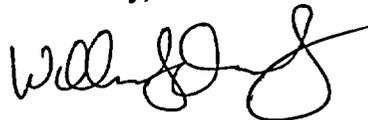
ADD  
Add Michael A. Duminusky  
1 Paper Copy

USNRC  
NRC-03-0031  
March 26, 2003  
Page 2

The requested annual decommissioning fund information for Fermi 1, reported in 2002 dollars, is provided as an enclosure to this letter. The prepayment trust method is being used to fund these activities at Fermi 1. Fund performance and decommissioning expenditures will continue to be monitored as the project progresses. Our increase in shortfall is due to a decrease in the decommissioning fund's value and an increase in decommissioning costs. The remaining funds will allow continued decommissioning for 3-4 additional years with enough remaining to place the facility into a safe condition. Detroit Edison has sufficient assets to make up for this shortfall to allow for complete decommissioning of the Fermi 1 facility.

Should you have any questions or require additional information, please contact Ms. Lynne Goodman of my staff at (734) 586-1205.

Sincerely,



William T. O'Connor, Jr.  
Vice President, Nuclear Generation

WTO/DTB/ljd

Enclosure

cc: S. W. Brown  
E. Kulzer (NRC Region III)  
L. Shekter-Smith (State of Michigan)  
Regional Administrator, Region III  
NRC Resident Office

USNRC  
NRC-03-0031  
March 26, 2003  
Page 3

bcc: G. D. Cerullo  
D. K. Cobb  
W. A. Colonnello  
P. A. Czech  
D. R. Gipson  
L. S. Goodman  
P. A. Marquardt  
D. L. McClung  
J. J. Musial  
K. L. O'Neill  
W. T. O'Connor  
N. K. Peterson  
S. Stasek  
D. A. Tochman  
Fermi 1 Staff  
Information Management (140 NOC)  
NRR Chron File  
NRC Notebook (Fermi 1)

USNRC  
Enclosure  
NRC-03-0031  
Page 1

**ENCLOSURE**

**FERMI 1**

**NRC DECOMMISSIONING FUNDING STATUS REPORT**

**Enrico Fermi Atomic Power Plant, Unit 1  
NRC Docket No. 50-16  
NRC License No. DPR-9**

**NRC Decommissioning Funding Status Report  
Fermi 1  
(Millions of Dollars)**

1. The decommissioning cost estimate for Fermi 1 is based on a site-specific estimate adjusted by an engineering review. The estimated remaining decommissioning cost in 2002 dollars. \$31
  
2. The amount accumulated at the end of 2002 for decommissioning costs. \$22
  
3. Amount fund is above (or below) estimated remaining costs. \$(9)
  
4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning fund, and rates of other factors used in funding projections.  
  
The above numbers are based on the assumption that costs and fund earnings are increasing at the same rate.
  
5. Any modifications to the current method of providing financial assurance occurring since the last submitted report: None

6. Any material changes to the trust agreement: None