

December 19, 2003

Mr. William T. O'Connor, Jr.  
Vice President - Nuclear Generation  
Detroit Edison Company  
6400 North Dixie Highway  
Newport, MI 48166

SUBJECT: FERMI 2 - WITHDRAWAL FROM NUCLEAR DECOMMISSIONING TRUST FUND  
(TAC NO. MC1546)

Dear Mr. O'Connor:

On December 12, 2003, you submitted a letter which discusses the planned withdrawal of \$3,830,442.10 from the Fermi 2 Nuclear Decommissioning Trust (NDT). You stated that \$3,634,781.20 was collected from ratepayers for security related expenses pursuant to Michigan Public Service Commission Order U-11290. However, as a result of an error, these funds were inappropriately deposited in the NDT. The inappropriately deposited monies have earned \$195,660.90, bringing the total amount of security-related monies inappropriately in the NDT to \$3,830,442.10. You also stated that subsequent to the planned withdrawal the Fermi 2 NDT fund balance will, "... remain adequate for its position in licensed life."

Based on information you provided, we understand that even without the funds erroneously deposited in the NDT and associated earnings, Fermi 2 has sufficient funds in the NDT to meet the requirements of Title 10, Code of Federal Regulations (10 CFR) 50.75. The staff notes that, effective December 24, 2003, 10 CFR 50.75 will require NDT agreements to provide that written NRC notification must be given at least 30-working days before proposed NDT fund withdrawals under certain circumstances, and that withdrawals are restricted as specified in the revised rule.

If you have any questions concerning this matter, you may contact me at (301) 415-4018.

Sincerely,

**/RA/**

Harold K. Chernoff, Project Manager, Section 1  
Project Directorate III  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket No. 50-341

cc: See next page

Fermi 2

cc:

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2000 2nd Avenue  
Detroit, MI 48226-1279

Michigan Department of Environmental  
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Waste and Hazardous Materials Division  
Hazardous Waste and Radiological  
Protection Section  
Nuclear Facilities Unit  
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U.S. Nuclear Regulatory Commission  
Resident Inspector's Office  
6450 W. Dixie Highway  
Newport, MI 48166

Monroe County Emergency Management  
Division  
963 South Raisinville  
Monroe, MI 48161

Regional Administrator, Region III  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Norman K. Peterson  
Director, Nuclear Licensing  
Detroit Edison Company  
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6400 North Dixie Highway  
Newport, MI 48166

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