

**Detroit Edison**



10 CFR 140.21

November 28, 2007  
NRC-07-0059

Director, Office of Nuclear Reactor Regulation  
U. S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington D C 20555-0001

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

Subject: Price-Anderson Act Guarantee of Payment of Deferred Premiums

Enclosed please find Consolidated Statements of Cash Flows as of December 31, 2006 (AUDITED) and September 30, 2007 (UNAUDITED). These statements have been prepared in accordance with Generally Accepted Accounting Principals (GAAP) and the Secondary Financial Protection section of the amended Price-Anderson Act.

Should you have any questions or require additional information, please contact me at (734) 586-5197.

Sincerely,



Ronald W. Gaston  
Manager – Nuclear Licensing

Enclosures

cc: Ira P. Dinitz  
NRC Project Manager  
NRC Resident Office  
Reactor Projects Chief, Branch 4, Region III  
Regional Administrator, Region III  
Supervisor, Electric Operators,  
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**The Detroit Edison Company**  
**Consolidated Statement of Cash Flows**

(in Millions)	Year Ended December 31		
	2006	2005	2004
<b>Operating Activities</b>			
Net Income	\$ 321	\$ 274	\$ 150
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	812	640	523
Deferred income taxes	2	40	142
Gain on sale of assets	(6)	(26)	(1)
Cumulative effect of accounting change	(1)	3	—
Changes in assets and liabilities, exclusive of changes shown separately (Note 1)	(213)	98	376
Net cash from operating activities	915	1,029	1,190
<b>Investing Activities</b>			
Plant and equipment expenditures	(972)	(722)	(702)
Proceeds from sale of assets, net	28	30	1
Restricted cash for debt redemptions	(48)	(9)	6
Notes receivable from affiliate	—	85	(78)
Proceeds from sale of nuclear decommissioning trust fund assets	253	201	254
Investment in nuclear decommissioning trust funds	(284)	(235)	(287)
Other investments'	(29)	(71)	(33)
Net cash used for investing activities	(1,052)	(721)	(839)
<b>Financing Activities</b>			
Issuance of long-term debt	314	857	266
Redemption of long-term debt	(126)	(997)	(206)
Short-term borrowings, net	114	163	(100)
Capital contribution by parent company	150	—	—
Dividends on common stock	(305)	(305)	(303)
Other	(9)	(6)	(8)
Net cash from (used for) financing activities	138	(288)	(351)
<b>Net Increase in Cash and Cash Equivalents</b>	1	20	—
<b>Cash and Cash Equivalents at Beginning of the Period</b>	26	6	6
<b>Cash and Cash Equivalents at End of the Period</b>	\$ 27	\$ 26	\$ 6

See Notes to Consolidated Financial Statements

**The Detroit Edison Company**  
**Consolidated Statements of Cash Flows (Unaudited)**

(in Millions)	Nine Months Ended September 30	
	2007	2006
<b>Operating Activities</b>		
Net Income	\$ 207	\$ 254
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	583	646
Deferred income taxes	(191)	31
Asset (gains) and reserves, net	12	(1)
Changes in assets and liabilities, exclusive of changes shown separately	367	(252)
Net cash from operating activities	978	678
<b>Investing Activities</b>		
Plant and equipment expenditures	(598)	(735)
Proceeds from sale of assets, net	—	22
Restricted cash for debt redemptions	45	43
Proceeds from sale of nuclear decommissioning trust fund assets	227	136
Investment in nuclear decommissioning trust funds	(254)	(163)
Notes receivable from affiliates	(139)	—
Other investments	(16)	(12)
Net cash used for investing activities	(735)	(709)
<b>Financing Activities</b>		
Issuance of long-term debt	—	247
Redemption of long-term debt	(132)	(123)
Short-term borrowings, net	(37)	(16)
Capital contribution by parent company	175	150
Dividends on common stock	(228)	(229)
Other	(5)	(6)
Net cash from (used for) financing activities	(227)	23
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	16	(8)
<b>Cash and Cash Equivalents at Beginning of the Period</b>	27	26
<b>Cash and Cash Equivalents at End of the Period</b>	\$ 43	\$ 18

See Notes to Consolidated Financial Statements (Unaudited)