Joseph H. Plona
Site Vice President

6400 N. Dixie Highway, Newport, MI 48166
Tel: 734.586.5910 Fax: 734.586.4172

DTE Energy

10CFR50.75 (f)(i)

March 31, 2008
NRC-08-0026

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington D C 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 requested annual decommissioning fund information for Fermi 1 is provided as an enclosure to this letter. The prepayment trust method combined with a DTE Energy guarantee is providing funding assurance. Documentation of the parent company guarantee and the financial test for this guarantee is provided as attachments to this letter. Fund

NMSSOI
FSME

performance and decommissioning expenditures will continue to be monitored as the project progresses.

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

Sincerely,

Joseph H. Plona

Joseph H. Plona
Site Vice President, Nuclear Generation

JHP/DTB/dtb

Enclosure: (1)NRC Decommissioning Funding Status Report Fermi 1

Attachments: (1) Parent Company Guarantee
(2) Financial Test
(3) Certificate of the Corporate Secretary
(4) Exhibit A
(5) Independent Accountants' Report – Deloitte & Touche LLP
(6) Nuclear Decommissioning Master Trust Agreement

cc: T. Smith
P. Lee (NRC Region III)
T. Strong (State of Michigan)
Regional Administrator, Region III
NRC Resident Office

bcc: A. Bodipo-Memba
P. Cavazos
W. Colonnello
J. M. Davis
R. Gaston
L. S. Goodman
T. Grimaldi
T. Malache
K. L. O'Neill
R. Pelzer
J. Plona
L. D. Schenk
S. Stasek
K. Stump
Fermi 1 Staff

Information Management (140 NOC) [Fermi 1 Decommissioning Funding Records]
NRR Chron File
NRC Notebook (Fermi 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 nominal dollars is $37 million.

   The estimated remaining decommissioning cost in 2007 dollars $34

2. The amount accumulated at the end of 2007 for decommissioning costs. The Fund value as of December 31, 2007 has been reduced by $6.3 million due to dollars expended in 2007 and not yet reimbursed. $7

3. Amount fund is above (or below) estimated remaining costs. $(27)

   A DTE Energy guarantee has been chosen as the assurance method for Fermi 1's shortfall. The parent company guarantee is for $30 Million

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning fund, and rates of other factors used in funding projections.

   It is assumed that fund earnings will be 5% but future investment income will be negligible after this year as the fund is reduced. The cost escalation rates assumed for non-fixed cost were 7% for waste transportation and disposal and 3.4% for other costs.

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:

   The Fund was moved to a new trustee in 2007. The new trust agreement is attached. It is similar to the previous trust agreement from a functional standpoint.

Attachment 1

DTE Energy Company
2000 2nd Ave., Detroit, MI 48226-1279
Tel: 313.235.4000

DTE Energy

DTE ENERGY COMPANY
PARENT COMPANY GUARANTEE

Guarantee made this 25th day of March 2008 by **DTE Energy Company,** a corporation organized under the laws of the State of **Michigan**, herein referred to as "guarantor," to our subsidiary, **The Detroit Edison Company (DECo)** of **Detroit, Michigan,** obligee.

Recitals

1. The guarantor has full authority and capacity to enter into this guarantee under its bylaws, articles of incorporation, and the laws of the State of **Michigan,** its State of incorporation. Guarantor has approval from its Board of Directors to enter into this guarantee.

2. This guarantee is being issued so that **DECo** will be in compliance with regulations issued by the Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. The NRC has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 50, which require that a holder of, or an applicant for, a license issued pursuant to 10 FR Part 50 provide assurance that funds will be available when needed for required decommissioning activities.

3. This guarantee is issued to provide financial assurance for decommissioning activities at **Fermi Atomic Power Plant Unit 1** as required by 10 FR Part 50. The guarantee amount is as follows: **$30,000,000 for Fermi Atomic Power Plant Unit 1**.

4. The guarantor meets or exceeds the following financial test: **ALTERNATIVE II** and agrees to notify **DECo** and the NRC of any changes in its ability to meet the criteria in compliance with the notification requirements as specified in 10 CFR Part 50.

   The guarantor meets the financial test of (a) below:

   (a) (i) A current rating of its most recent unsecured notes issuance of: AAA, AA, A, or BBB as issued by Standard and Poor's or Aaa, Aa, A or Baa as rated by Moody's; and

(ii) Tangible net worth is at least $10 million and at least six times the current guarantee amount (or prescribed amount if a certification is used); and

(iii) Assets located in the United States amounting to at least 90 percent of its total assets or at least six times the current guarantee amount (or prescribed amount if certification is used). or

(b) (i) Net working capital and tangible net worth each as least six times the current guarantee amounts (or prescribed amount if certification is used); and

(ii) Assets located in the United States amounting to at least 90 percent of its total assets or at least six times the amount of the current guarantee amounts (or prescribed amount if certification is used); and

(iii) Meets two of the following three ratios: a ratio of total liabilities to net worth less than 2.0; a ratio of the sum of net income plus depreciation, depletion, and amortization to total liabilities that is greater than 0.1; and a ratio of current assets to current liabilities that is greater than 1.5; and

(iv) Tangible net worth of a least $10 million.

5. The guarantor has majority control of the voting stock for the following licensee(s) covered by this guarantee. Licensee: **The Detroit Edison Company; Facilities: Enrico Fermi Atomic Power Plant, Unit 1 6400 N. Dixie Hwy., Newport, Michigan 48166, license number DPR – 9.**

6. Decommissioning activities as used below refers to the activities required by 10 CFR Part 50 for decommissioning of the facility identified above.

7. For value received from **DECo** and pursuant to the authority conferred upon the guarantor by the September 28, 2006 resolution of the DTE Energy Company Board of Directors, **a certified copy of which is attached**, the guarantor guarantees that if the licensee fails to perform the required decommissioning activities, as required by License No: DPR-9, due to lack of funds, the guarantor shall:

(a) provide all funds necessary, up to the amount of this guarantee in **2007 dollars** and as adjusted for inflation, to carry out the required activities, or

(b) set up a trust fund in favor of **DECo** in the amount of the current guarantee amount for these activities.

8. The guarantor agrees to submit revised financial statements, financial test data, and a special auditor's report and reconciling schedule to the NRC annually within 90 days of the close of the parent guarantor's fiscal year.

9. The guarantor and the licensee agree that if the guarantor fails to meet the financial test criteria at any time after this guarantee is established, the guarantor and the licensee shall send, within 90 days of the end of the fiscal year in which the guarantor fails to meet the financial test criteria, by certified mail, notice to the NRC. If **DECo** fails to provide alternative financial assurance as specified in 10 CFR Part 50, as applicable, and obtain written approval of such assurance from the NRC within 180 days of the end of such fiscal year, the guarantor shall provide such alternative financial assurance in the name **DECo** or make full payment under the guarantee to a standby trust established by **DECo**.

10. Independent of any notification under paragraph 8 above, if the NRC determines for any reason that the guarantor no longer meets the financial test criteria or that it is disallowed from continuing as a guarantor for the facility under License No. **DPR-9** the guarantor agrees that within 90 days after being notified by the NRC of such determination, an alternative financial assurance mechanism as specified in 10 CFR Part 50 as applicable, shall be established by the guarantor in the name of **DECo** unless **DECo** has done so.

11. The guarantor as well as its successors and assigns shall remain bound jointly and severally under this guarantee notwithstanding any of all of the following: amendment or modification of license or NRC approval decommissioning funding plan for that facility, the extension or reduction of the time of performance of required activities, or any other modification or alteration of an obligation of the licensee pursuant to 10 CFR Part 50.

12. The guarantor agrees that it will be liable for all litigation costs incurred by **DECo** or the NRC in any successful effort to enforce the agreement against the guarantor.

13. The guarantor agrees to remain bound under this guarantee for as long as **DECo** must comply with the applicable financial assurance requirements of 10 CFR Part 50, for the previously listed facility, except that the guarantor may cancel this guarantee by sending notice by certified mail to the NRC and **DECo**, such cancellation to become effective no earlier than 120 days after receipt of such notice by both the NRC and **DECo** as evidenced by the return receipts. If the licensee fails to provide alternative financial assurance as specified in 10 CFR Part 50, as applicable, and

obtain written approval of such assurance within 120 days after the sending of the above notice by the guarantor the guarantor shall provide such alternative financial assurance.

14. The guarantor expressly waives notice of acceptance of this guarantee by the NRC or by **DECo**. The guarantor also expressly waives notice of amendments or modification of the decommissioning requirements and of amendments or modifications of the license.

15. If the guarantor files financial reports with the U.S. Securities and Exchange Commission, then it shall promptly submit them to the NRC during each year in which this guarantee is in effect.

I hereby certify that this guarantee is true and correct to the best of my knowledge.

Effective Date: March 25, 2008

DTE Energy Company

David E. Meador
Executive Vice President and
Chief Financial Officer

Signature of witness or notary: _____
Notary Public

CAROLYN D. BONDO
NOTARY PUBLIC, STATE OF MI
COUNTY OF OAKLAND
MY COMMISSION EXPIRES May 17, 2011
ACTING IN COUNTY OF Wayne

The Detroit Edison Company

N. A. Khouri
Vice President and Treasurer

Signature of witness or notary: _____
Notary Public

CAROLYN D. BONDO
NOTARY PUBLIC, STATE OF MI
COUNTY OF OAKLAND
MY COMMISSION EXPIRES May 17, 2011
ACTING IN COUNTY OF Wayne

DTE Energy Company
2000 2nd Ave., Detroit, MI 48226-1279

DTE Energy

LETTER FROM David E. Meador, CHIEF FINANCIAL OFFICER OF DTE Energy Company, CORPORATE PARENT of The Detroit Edison Company, INCLUDING COST ESTIMATES AND DATA FROM AUDITED FINANCIAL STATEMENTS

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

I am the Chief Financial Officer of **DTE Energy Company (DTE or firm), 2000 2nd Avenue, Detroit, MI 48226-1279**, a Michigan **corporation**. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in 10 CFR Part 50.

DTE guarantees, through the parent company guarantee submitted to demonstrate compliance under 10 CFR Part 50, the decommissioning of the following facility owned by The Detroit Edison Company, a Michigan corporation and wholly-owned subsidiary of this firm. The current cost estimates for decommissioning, and the amounts being guaranteed, are shown for each facility:

Name of Facility	Location of Facility	Current Cost Estimates	Amount Being Guaranteed
Enrico Fermi Atomic Power Plant Unit 1	**6400 N. Dixie Hwy Newport, MI 48166**	**$37,000,000**	**$30,000,000**

This firm **is required** to file a Form 10K with the U.S. Securities and Exchange Commission for the latest fiscal **year 2007**.

This fiscal year of this firm ended on **December 31**. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements and footnotes for the latest completed fiscal year, ended **December 31, 2007.**

FINANCIAL TEST: ALTERNATIVE II

1. Decommissioning cost estimates or guaranteed amount for facility [license number DPR 9] $30,000,000

2. Current bond rating of most recent unsecured issuance of this firm
   Rating BBB-

   Name of rating service Standard & Poor's

3. Date of issuance of bond	May 26, 2006
4. Date of maturity of bond	June 1, 2016
5*. Tangible net worth**	$ 3,782,000,000
6*. Total assets in the United States	$ 23,743,000,000

	Yes	No
7. Is line 5 at least $10 million?	X	___
8. Is line 5 at least 6 times line 1?	X	___
9. Are at least 90 percent of firm's assets located in the United States? If not, complete line 10.	X	___
10. Is line 6 at least 6 times line 1?	X	___
11. Is the rating specified on line 2 "BBB" or better (if issued by Standard & Poor's) or "Baa" or better (if issued by Moody's)	X	___

* denotes figures derived from financial statements

** Tangible net worth is defined as net worth minus goodwill, patents, trademarks, and copyrights

DTE Energy Company

By 
David E. Meador
Executive Vice President and Chief Financial Officer, DTE Energy Company
March 25, 2008

Attachment 3

DTE ENERGY COMPANY

CERTIFICATE OF THE CORPORATE SECRETARY

I, Sandra Kay Ennis, Corporate Secretary of DTE ENERGY COMPANY (the "Company") do hereby certify that attached as Exhibit A is a true and correct copy of the resolution duly adopted by the board of the Company on September 28, 2006.

IN WITNESS WHEREOF, I have hereunto signed my name this 24th day of March, 2008.

Sandra Kay Ennis

Sandra Kay Ennis
Corporate Secretary

WHEREAS, management periodically reviews guarantees required to support the actions of subsidiary companies; and has advised the Finance Committee that guarantees for the benefit of affiliates engaging in non-trading activities (excluding guarantees related to synthetic fuel facility sales transactions) and guarantees related to synthetic fuel facility sales transactions are adequate in the amounts authorized by the Board on April 28, 2005 ("Prior Resolutions"); and further

WHEREAS, management has advised the Finance Committee of this Board, and the Finance Committee recommends to this Board that it is necessary and advisable to increase the authority under the Prior Resolutions from $1.9 billion to $2.3 billion with respect to the guarantees for the benefit of affiliates engaging in trading activities, such increased amount being primarily for the purpose of exchange trading activity;

NOW, THEREFORE, BE IT

RESOLVED, that the resolutions relating to guarantee authority adopted by this Board on April 28, 2005 be, and they hereby are, rescinded and replaced by the resolutions herein adopted; and further

RESOLVED, that the Chief Financial Officer, Treasurer, and each Assistant Treasurer (collectively the "Responsible Officers") of this Company be, and each of them hereby is, authorized to issue the guarantees of this Company for the benefit of affiliates engaging in trading activities in the aggregate principal amount of up to $2.3 billion; and further

RESOLVED, that the Responsible Officers of this Company be, and each of them hereby is, authorized to issue the guarantees of this Company for the benefit of affiliates engaging in non-trading activities (excluding guarantees related to synthetic fuel facility sales transactions) in the aggregate principal amount of up to $850 million; and further

RESOLVED, that the Responsible Officers of this Company be, and each of them hereby is, authorized to issue the guarantees of this Company in such amounts as any such Responsible Officer deems necessary, appropriate or advisable, in such Responsible Officer's discretion, for the sale(s) of synthetic fuel facilities of this Company's affiliates; and

RESOLVED, that the Responsible Officers, the Corporate Secretary and each Assistant Corporate Secretary of this Company be, and each of them hereby is, authorized to do all acts and deeds and execute and deliver all such documents as each of such named officers deem to be necessary, appropriate or advisable to carry into effect the purpose and intent of these resolutions.

Attachment 5

Deloitte.

Deloitte & Touche LLP
Suite 900
600 Renaissance Center
Detroit, MI 48243-1895
USA

Tel: +1 313 396 3000
Fax: +1 313 396 3618
www.deloitte.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The DTE Energy Company
Detroit, Michigan

We have performed the procedures included in the U.S. Nuclear Regulatory Commission ("NRC") Regulatory Guide 1.159 Assuring The Availability Of Funds For Decommissioning Nuclear Reactors, and enumerated below, which were agreed to by DTE Energy Company ("DTE"), solely to assist the specified parties in evaluating DTE's compliance with the financial test option as of December 31, 2007, included in the accompanying letter dated March 25, 2008 from Mr. David Meador, Chief Financial Officer of DTE. DTE's management is responsible for DTE's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and related findings are as follows:

1. We recomputed from, or reconciled to, the audited consolidated financial statements of the Company as of and for the year ended December 31, 2007, on which we have issued our report dated March 7, 2008, which report contains an explanatory paragraph relating to the adoption of new accounting standards, the information included in items 5 and 6 under the caption Alternative II in the letter referred to above. We noted no differences, after rounding to the nearest $1 million.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the accompanying letter dated March 25, 2008. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

March 26, 2008

NUCLEAR DECOMMISSIONING MASTER TRUST AGREEMENT

THIS NUCLEAR DECOMMISSIONING MASTER TRUST AGREEMENT, dated as of August 31, 2007 between The Detroit Edison Company, a corporation duly organized and existing under the laws of the State of Michigan, having its principal office at 2000 2nd Avenue, Detroit, Michigan, 48226 (the "Company"), and MELLON BANK, N.A., as Trustee, having its principal office at One Mellon Center, Pittsburgh Pennsylvania 15258 (the "Trustee");

WITNESSETH:

WHEREAS, the Company has an ownership interest in the Nuclear Facilities at the Fermi 1 Nuclear Power Plant and Fermi 2 Nuclear Power Plant (individually "the Unit", and collectively "the Units") located in Monroe County, Michigan;

WHEREAS, the Michigan Public Service Commission or its successor ("MPSC") and the Federal Energy Regulatory Commission or its successor ("FERC") each have ordered or will order the Company to include in rates certain amounts of monies to be collected from the ratepayers which are to be placed and held in an external trust fund in order to provide adequate funds to Decommission the Fermi 2 Unit;

WHEREAS the Company, pursuant to Nuclear Decommissioning Trust Agreement for the Fermi 1 Nuclear Power Plant between The Detroit Edison Company and J.P. Morgan Chase Bank, N.A., successor in interest to National Bank of Detroit ("NBD Bank") dated May 14, 1990, as amended, (the "Nonqualified Fermi 1 Trust Agreement"), maintains a fund which does not qualify as a Nuclear Decommissioning Reserve Fund under section 468A of the Internal Revenue Code of 1986, as amended, or any corresponding section or sections of any future United States internal revenue statute (the "Code") and the regulations thereunder; (the "Nonqualified Fermi Unit 1 Fund");

WHEREAS the Company, pursuant to Amended and Restated Non-Qualified Nuclear Decommissioning Trust Agreement for the Fermi 2 Nuclear Power Plant between the Detroit Edison company and J.P. Morgan Chase Bank, N.A., successor in interest to NBD Bank effective June 30, 1995, as amended (the "Nonqualified Fermi 2 Trust Agreement"), maintains a fund which does not qualify as a Nuclear Decommissioning Reserve Fund under section 468A of the Internal Revenue Code of 1986, as amended, or any corresponding section or sections of any future United States internal revenue statute (the "Code") and the regulations thereunder; the "Nonqualified Fermi Unit 2 Fund");

WHEREAS the Company, pursuant to Amended and Restated Qualified Nuclear Decommissioning Trust Agreement for the Fermi 2 Nuclear Power Plant between the Detroit Edison company and J.P. Morgan Chase Bank, N.A., successor in interest to NBD Bank effective June 30, 1995, as amended (the "Qualified Fermi 2 Trust Agreement"), maintains a fund which qualifies as a Nuclear

Decommissioning Reserve Fund under section 468A of the Internal Revenue Code of 1986, as amended, the ("Qualified Fermi Unit 2 Fund");

WHEREAS, the Company and the Trustee wish to amend and restate the Nonqualified Fermi 1 Trust Agreement, the Nonqualified Fermi 2 Trust Agreement, and the Qualified Fermi 2 Trust Agreements to appoint Mellon Bank, N.A. as Trustee, and so that this Agreement shall be deemed to supersede such trust agreements and so that the separate trusts established by those trust agreement shall continue as separate trusts maintained pursuant to the terms of this Master Trust Agreement; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the Company and the Trustee and all things necessary to make this Agreement a valid and binding agreement by the Company and the Trustee have been done.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that to provide for the maintenance of the Funds and the making of payments therefrom and the performance of the covenants of the Company and the Trustee set forth herein, the Company does hereby sell, assign, transfer, set over and pledge unto the Trustee, and to its successors in the trust and its assigns forever, all of the Company's right, title and interest in and to any and all cash and property herewith and hereafter contributed to the Funds, subject to the provisions of Article V hereof and Section 4 of the Special Terms of the Qualified Nuclear Decommissioning Reserve Fund, attached hereto as Exhibit A (the "Special Terms").

TO HAVE AND TO HOLD THE SAME IN TRUST for the exclusive purpose of providing funds for the decommissioning of the Funds' respective Units in order to satisfy the Company's liability in connection therewith, to pay the administrative costs and other incidental expenses of the Funds, and to make certain investments, all as hereinafter provided.

ARTICLE I
Purposes of the Funds; Contributions

Section 1.01. Identification of the Funds. The Master Trust shall consist of three Funds identified as follows:

Nonqualified Fermi Unit 1 Fund
Nonqualified Fermi Unit 2 Fund
Qualified Fermi Unit 2 Fund

The Funds shall continue to be maintained separately at all times in the United States as the Nonqualified Funds and the Qualified Fund pursuant to this Agreement and as separate trusts under this Master Trust Agreement in accordance with the laws of the State of Michigan. The Company intends that the Qualified Fund shall qualify as a Nuclear Decommissioning Reserve Fund under section 468A of the Code. The assets of the Qualified Fund may be used only in a manner authorized by section 468A of the Code and the regulations thereunder and this Agreement cannot be amended to violate section 468A of the Code or the regulations thereunder. The Trustee shall maintain such records as are necessary to reflect each Fund separately on its books from each other Fund and shall create and maintain such subaccounts within each Fund as the Company shall direct.

Section 1.02. Purposes of the Funds. The Funds are to continue for the exclusive purpose of providing funds for the decommissioning of the Units identified in their respective titles. The

Nonqualified Funds shall accumulate all contributions (whether from the Company or others) which do not satisfy the requirements for contributions to the Qualified Fund pursuant to Section 2 of the Special Terms and any specifically directed contributions. The Qualified Fund shall accumulate all contributions (whether from the Company or others) which satisfy the requirements of Section 2 of the Special Terms unless specifically directed to a nonqualified fund. The Qualified Fund shall also be governed by the provisions of the Special Terms, which provisions shall take precedence over any provisions of this Agreement construed to be in conflict therewith. None of the assets of the Funds shall be subject to attachment, garnishment, execution or levy in any manner for the benefit of creditors of the Company.

Section 1.03 Decommissioning. Decommission shall mean to remove Nuclear Units safely from service and to reduce residual radioactivity to a level that permits release of the property for unrestricted use and termination of license, or as otherwise defined by the Nuclear Regulatory Commission or its successor. Decommission also includes other decommissioning activities, including but not limited to activities, such as fuel stewardship and site restoration. With respect to funds or accounts specifically identified for disposal of radioactive materials, decommission also means the disposal of such radioactive materials, whether or not Fermi 2 has ceased to operate. Decommission also includes other activities and costs, if any, which may be included in the definition of decommission pursuant to Internal Revenue Service regulations and rulings implementing Section 468A of the Code.

Section 1.04 Contributions to the Funds. The assets of the Funds shall be contributed by the Company (or by others approved in writing by the Company) from time to time. Cash contributions for a Unit shall be allocated to its Qualified Fund unless the Company designates in writing at the time of payment to which of the Unit's Funds (if more than one) the payment is allocated. The Company shall have sole discretion as to whether cash payments are allocated to a Qualified Fund or a Nonqualified Fund. Contributions of property other than cash shall be allocated to the Nonqualified Funds.

ARTICLE II
Payments by the Trustee

Section 2.01. Limitation on Use of Assets. The assets of the Funds shall be used exclusively (a) to satisfy, in whole or in part, any expenses or liabilities incurred by or on behalf of the Company with respect to the decommissioning of the respective Units, including expenses incurred in connection with the preparation for decommissioning, such as engineering and other planning expenses, and all expenses incurred after the actual decommissioning occurs, such as physical security and radiation monitoring expenses (the "Decommissioning Costs"), (b) to pay the administrative costs and other incidental expenses of each Fund separately from the assets of such Fund, and (c) to invest in securities and investments as directed by the investment manager(s) pursuant to Section 3.02(a) or the Trustee pursuant to Section 3.02(b), except that all assets of a Qualified Fund must be invested in Permissible Assets as defined in the Special Terms. Use of the assets of a Qualified Fund shall be further limited by the provisions of the Special Terms.

Disbursements or payments from the trust for Decommissioning Costs may only be used for decommissioning activities meeting the NRC definition of decommissioning unless the funds are withdrawn from separate accounts established for other decommissioning activities. In such cases, the Certification required by Section 2.02 shall identify which account is to be used for disbursement

Section 2.02. Certification for Decommissioning Costs. If assets of the Funds are required to satisfy Decommissioning Costs, the Company shall present a certificate substantially in the form attached

hereto as Exhibit B to the Trustee signed by a member or members of the Committee as defined below, requesting payment from the Funds. Any certificate requesting payment by the Trustee to a third party or to the Company from the Funds for Decommissioning Costs shall include the following:

(a) a statement of the amount of the payment to be made from the Funds and whether the payment is to be made from a specific Nonqualified Fund, a Qualified Fund or as a segment of a trust or in part from one or more funds;

(b) a statement that the payment is requested to pay Decommissioning Costs which have been incurred, and if payment is to be made from a Qualified Fund, a statement that the Decommissioning Costs to be paid constitute Qualified Decommissioning Costs, as defined in the Special Terms;

(c) the nature of the Decommissioning Costs to be paid;

(d) the payee, which may be the Company in the case of reimbursement for payments previously made or expenses previously incurred by the Company for Decommissioning Costs;

(e) a statement that the Decommissioning Costs for which payment is requested have not theretofore been paid out of funds of the Funds;

(f) a statement that any necessary authorizations of the MPSC and/or any other applicable governmental agencies having jurisdiction with respect to the decommissioning have been obtained; and

(g) a statement of the specific account to be used if the Company is specifying an account.

The Trustee shall retain at least one counterpart of all copies of such certificates (including attachments) and related documents received by it pursuant to this Article II.

The Company shall have the right to enforce payments from the Funds upon compliance with the procedures set forth in this Section 2.02.

Except for (i) payments of ordinary administrative costs (including taxes) and other incidental expenses of the fund (including legal, accounting, actuarial, and trustee expenses) in connection with the operation of the fund, (ii) withdrawals being made under 10 CFR 50.82(a)(8), (iii) permissible transfers between Qualified and Nonqualified Funds, and (iv) disbursements from accounts established for activities not under NRC jurisdiction, no disbursement or payment may be made from the trust until written notice of the intention to make a disbursement or payment has been given to the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, at least 30 working days before the date of the intended disbursement or payment. The disbursement or payment from the trust may be made following the 30-working day notice period if no written notice of objection from the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, is received by the Trustee or the Company within the notice period. The required notice may be made by the Trustee or on the Trustee's behalf. No such notice is required for withdrawals being made pursuant to 10 CFR 50.82(a)(8)(ii), including withdrawals made during the operating life of the plant to be used for decommissioning

planning. In addition, no such notice is required to be made to the NRC after decommissioning has begun and withdrawals are being made under 10 CFR 50.82(a)(8).

Section 2.03. Administrative Costs. The Trustee shall pay, as directed by the Company, the administrative costs and other incidental expenses of a Nonqualified Fund, including all federal, state, and local taxes, if any, imposed directly on the Nonqualified Fund, legal expenses, accounting expenses, actuarial expenses and trustee expenses, from the assets of the Nonqualified Fund and shall pay, as directed by the Company, the administrative costs and other incidental expenses of a Qualified Fund, as defined in the Special Terms, from the assets of the Qualified Fund.

Section 2.04. Payments between the Funds. The Trustee shall make payments (i) from a Qualified Fund to a Nonqualified Fund in accordance with Section 4 of the Special Terms or (ii) from a Nonqualified Fund to a Qualified Fund in accordance with the contribution limitations set forth in Section 2 of the Special Terms, as the case may be, upon presentation by the Company of a certificate substantially in the form of Exhibit C hereto executed by the Company instructing the Trustee to make any such payments. The Trustee shall be fully protected in relying upon such certificate.

ARTICLE III
Concerning the Trustee

Section 3.01. Authority of Trustee. The Trustee hereby accepts the trust created under this Agreement. The Trustee shall have the authority and discretion to manage and control the Funds to the extent provided in this Agreement and subject to Investment Guidelines provided by the Company, but does not guarantee the Funds in any manner against investment loss or depreciation in asset value or guarantee the adequacy of the Funds to satisfy the Decommissioning Costs. The Trustee shall not be liable for the purchase, retention or sale of any asset of a Qualified Fund which qualifies as a Permissible Asset, as defined in the Special Terms, nor shall the Trustee be responsible for any other loss to or diminution of the Funds, or for any other loss or damage which may result from the discharge of its duties hereunder except for any action not taken in good faith.

Section 3.02. Investment of Funds. (a) The Company shall have the authority to appoint one or more investment managers (which may include the Company) who shall have the power to direct the Trustee in investing the assets of the Funds; provided, however, that the Trustee shall not follow any direction which would result in assets of a Qualified Fund being invested in assets other than Permissible Assets as defined in the Special Terms. To the extent that the Company chooses to exercise this authority, it shall so notify the Trustee and instruct the Trustee in writing to separate into a separate account those assets the investment of which will be directed by each investment manager. Upon the separation of the assets in accordance with the Company instructions, the Trustee, as to those assets while so separated, shall be released and relieved of all investment duties, investment responsibilities and investment liabilities normally or statutorily incident to a trustee; provided, however, that the Trustee shall not be relieved of the responsibility of ensuring that assets of a Qualified Fund are invested solely in Permissible Assets, as defined in the Special Terms. The Trustee shall retain all other fiduciary duties with respect to assets the investment of which is directed by investment managers.

(b) To the extent that the investment of assets of the Funds are not being directed by one or more investment managers under Section 3.02(a), to the extent agreed upon by the Trustee, the Trustee

shall hold, invest, and reinvest the funds delivered to it hereunder as it in its sole discretion deems advisable, subject to the direction of the Company's Investment Committee and subject to the restrictions set forth herein for investment of the assets of a Qualified Fund.

(c) Regardless of the person directing investments, any assets of a Qualified Fund shall be invested solely in Permissible Assets as defined in, and required by, the Special Terms, and shall be accumulated, invested, and reinvested in like manner. Upon the written consent of the Company, the assets of a Qualified Fund relating to a Unit may be pooled, but only with the assets of any other Qualified Fund relating to any other Unit; provided that the book and tax allocations of the Qualified Fund Pool are made in proportion to each Qualified Fund's relative book capital accounts. Upon the written consent of the Company, the assets of a Nonqualified Fund relating to a Unit may be pooled, but only with the assets of another Nonqualified Fund relating to any other Unit.

(d) Subparagraph (c) applies to transfers of interests within, and withdrawals from, the pooling arrangement. Nothing within subparagraph (c) sections shall be interpreted to permit or to limit transfer of interests in, or withdrawals from, a fund, which transfers and withdrawals are governed by other provisions of this Agreement. In addition, the provisions of subparagraphs (c) shall not limit the Trustee's authority to invest in permissible common or collective trust funds.

Section 3.03. Prohibition Against Self-Dealing. Notwithstanding any other provision in this Agreement, the Trustee shall not engage in any act of self-dealing as defined in section 468A(e)(5) of the Code and Treas. Reg. §1.468A-5(b) or any corresponding future law or Treasury Regulation.

Section 3.04. Compensation. The Trustee shall be entitled to receive out of the Funds reasonable compensation for services rendered by it, as well as expenses necessarily incurred by it in the execution of the trust hereunder, provided such compensation and expenses qualify as administrative costs and other incidental expenses of a Qualified Fund, as defined in the Special Terms, with respect to any payment of compensation and expenses from a Qualified Fund. The Company acknowledges that, as part of the Trustee's compensation, the Trustee will earn interest on balances, including disbursement balances and balances arising from purchase and sale transactions. The Trustee may take all action necessary to pay for, and settle, Authorized Transactions, including exercising the power to borrow or raise monies from the Trustee in its corporate capacity or an affiliate. To secure expenses and advances made to settle or pay for Authorized Transactions, including payment for securities and disbursements, the Company grants to the Trustee a first priority security interest in the account, all property therein, all income, substitutions and proceeds, whether now owned or hereafter acquired (the "Collateral"); provided that the Company does not grant the Trustee a security interest in any securities issued by an affiliate of the Trustee (as defined in Section 23A of the Federal Reserve Act). The parties intend that as the securities intermediary with respect to the Collateral, the Trustee's security interest shall automatically be perfected when it attaches. The Trustee shall be entitled to collect from the Fund sufficient cash for reimbursement and, if such cash is insufficient, dispose of the assets of the Fund to the extent necessary to obtain reimbursement. To the extent the Trustee advances fund to the Fund for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Fund reasonable charges established under the Trustee's standard overdraft terms, conditions and procedures.

Section 3.05. Books of Account. The Trustee shall keep separate true and correct books of account with respect to each of the Funds, which books of account shall at all reasonable times be open to inspection by the Company or its duly appointed representatives. The Trustee shall, upon written

request of the Company, permit government agencies, such as the MPSC or the Internal Revenue Service, to inspect the books of account of the Funds. The Trustee shall furnish to the Company by the tenth business day of each month a statement for each Fund showing, with respect to the preceding calendar month, the balance of assets on hand at the beginning of such month, all receipts, investment transactions, and disbursements which took place during such month and the balance of assets on hand at the end of such month. The Trustee agrees to provide on a timely basis any information deemed necessary by the Company to file the Company's federal, state and local tax returns.

Section 3.06 Authorized Parties. (a) Committee shall mean one or more committees whose duties are defined by resolution of the Company's Board of Directors and whose members are appointed by, and subject to the removal by, the Company's Board of Directors, or its designee(s), among other things, for the purpose of exercising all rights which the Company has reserved to itself under this Agreement as follow:

(b) The Company shall notify the Trustee in writing of all persons or entities that are authorized to act on its behalf under the terms of this Agreement and the rights, powers and duties of each such person or entity and in the absence of such notice, the Trustee shall rely solely on the Company.

(c) The Trustee shall be entitled to deal with any such person or entity identified by the Company or by an Investment Manager ("Authorized Party" or "Authorized Parties") until notified otherwise in writing.

Section 3.07 Authorized Instructions shall mean (i) all directions to the Trustee from an Authorized Party pursuant to the terms of this Agreement; (ii) all directions by or on behalf of the Company to the Trustee in its corporate capacity (or any of its affiliates) with respect to contracts for foreign exchange; (iii) all directions by or on behalf of the Company pursuant to an agreement with Trustee (or any of its affiliates) with respect to benefit disbursement services or information or transactional services provided via a web site Sponsored by the Trustee (or any of its affiliates) (e.g., the "Workbench web site") and (iv) all directions by or on behalf of the Company pursuant to any other agreement or procedure between Trustee (or any of its affiliates) and the Trustee, if such agreement or procedure specifically provides that authorized persons thereunder are deemed to be authorized to give instructions under this Agreement. Authorized Instructions shall be in writing, transmitted by first class mail, overnight delivery, private courier, facsimile, or shall be an electronic transmission subject to the Trustee's policies and procedures, other institutional delivery systems or trade matching utilities as directed by an Authorized Party and supported by the Trustee, or other methods agreed upon in writing by the Company and the Trustee. The Trustee may, in its discretion, accept oral directions from an Authorized Party and instructions and may require confirmation in writing. However, where the Trustee acts on an oral direction or instruction, the Trustee shall not be liable if a subsequent written confirmation fails to conform to the oral direction or instruction. "Authorized Transactions" shall mean any action or series of actions resulting from Authorized Instructions.

Section 3.08. Reliance on Authorized Instructions/Documents. The Trustee shall act and shall be fully protected in acting in accordance with Authorized Instructions. The Trustee, upon receipt of documents furnished to it by the Company pursuant to the provisions of this Agreement, shall examine the same to determine whether they conform to the requirements thereof. The Trustee acting in good faith may conclusively rely, as to the truth of statements and the correctness of opinions expressed in any certificate or other documents conforming to the requirements of this Agreement. If the Trustee in the

administration of the Funds, shall deem it necessary or desirable that a matter be provided or established prior to taking or suffering any action hereunder, such matter (unless evidence in respect thereof is otherwise specifically prescribed hereunder) may be deemed by the Trustee to be conclusively provided or established by a certificate signed by a member or members of the Committee and delivered to the Trustee. The Trustee shall have no duty to inquire into the validity, accuracy or relevancy of any statement contained in any certificate or document nor the authorization of any party making such certificate or delivering such document and the Trustee may rely and shall be protected in acting or refraining from acting upon any such written certificate or document furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee shall not, however, be relieved of any obligation to refrain from self-dealing as provided in Section 3.03 hereof or from ensuring that all assets of a Qualified Fund are invested solely in Permissible Assets as defined in the Special Terms.

Section 3.09. Liability and Indemnification. In performing its duties under this agreement, the Trustee shall exercise the same care and diligence that it would devote to its own property in like circumstances. The duties of the Trustee shall only be those specifically undertaken pursuant to this Agreement. The Trustee shall not be liable for any action taken by it in good faith and without gross negligence and believed by it to be authorized or within the rights or powers conferred upon it by this Agreement and may consult with counsel of its own choice (including counsel for the Company) and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and without gross negligence and in accordance with the opinion of such counsel, provided, however, that the Trustee shall be liable for direct damages resulting from investing assets of a Qualified Fund in other than Permissible Assets or from self-dealing as provided in Section 3.03 hereof. The Company hereby agrees to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense, and incurred without negligence, willful recklessness or bad faith on the part of the Trustee, arising out of or in connection with its entering into this Agreement and carrying out its duties hereunder, including the costs and expenses of defending itself against any claim of liability, provided such loss, liability or expense does not result from investing assets of a Qualified Fund in other than Permissible Assets as defined in the Special Terms or from self-dealing under Section 3.03 hereof, and provided further, that no such costs or expenses shall be paid if the payment of such costs or expenses is prohibited by section 468A of the Code or the regulations thereunder.

The Trustee shall not be responsible or liable for any losses or damages suffered by the Fund arising as a result of the insolvency of any custodian, subtrustee or subcustodian, except to the extent the Trustee was negligent in its selection or continued retention of such entity. Under no circumstances shall the Trustee be liable for any indirect, consequential, or special damages with respect to its role as Trustee.

Section 3.10. Resignation, Removal and Successor Trustees. The Trustee may resign at any time upon thirty (30) days written notification to the Company. The Company may remove the Trustee for any reason at any time upon thirty (30) days written notification to the Trustee. If a successor Trustee shall not have been appointed within thirty (30) days after the giving of written notice of such resignation or removal, the Trustee or Company may apply to any court of competent jurisdiction to appoint a successor Trustee to act until such time, if any, as a successor shall have been appointed and shall have accepted its appointment as provided below. If the Trustee shall be adjudged bankrupt or insolvent, a vacancy shall thereupon be deemed to exist in the office of Trustee and a successor shall thereupon be appointed by the Company. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company an appropriate written instrument accepting such appointment hereunder, subject

to all the terms and conditions hereof, and thereupon such successor Trustee shall become fully vested with all the rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as Trustee hereunder. The predecessor Trustee shall upon written request of the Company, and payment of all fees and expenses, deliver to the successor Trustee the corpus of the Funds and perform such other acts as may be required or be desirable to vest and confirm in said successor Trustee all right, title and interest in the corpus of the Fund to which it succeeds.

Section 3.11. Merger of Trustee. Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation to which the corporate trust functions of the Trustee may be transferred, shall be the successor Trustee under this Agreement without the necessity of executing or filing any additional acceptance of this Agreement or the performance of any further act on the part of any other parties hereto.

ARTICLE IV
Amendments

The Company may amend this Agreement from time to time, provided such amendment does not cause a Qualified Fund to fail to qualify as a Nuclear Decommissioning Reserve Fund under section 468A of the Code and the regulations thereunder. The Qualified Fund is established and shall be maintained for the sole purpose of qualifying as a Nuclear Decommissioning Reserve Fund under section 468A of the Code and the regulations thereunder. If a Qualified Fund would fail to so qualify because of any provision contained in this Agreement, this Agreement shall be deemed to be amended as necessary to conform with the requirements of section 468A and the regulations thereunder. If a proposed amendment shall affect the responsibility of the Trustee, such amendment shall not be considered valid and binding until such time as the amendment is executed by the Trustee.

ARTICLE V

Powers of the Trustee and Investment Manager

Section 5.01 General Powers. The Trustee shall have and exercise the following powers and authority in the administration of the Fund only on the direction of an Investment Manager where such powers and authority relate to a separate account established for an Investment Manager, and in its sole discretion where such powers and authority relate to investments made by the Trustee in accordance with Section 3.02(b):

(a) to purchase, receive or subscribe for any securities or other property and to retain in trust such securities or other property;

(b) to sell, exchange, convey, transfer, or otherwise dispose of any property held in the Fund and to make any sale by private contract or public auction; and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(c) Forward to the Authorized Party designated by the Company proxies or ballots for any stocks, bonds or other securities held in the Funds in a form to enable the Authorized Party to effect

the voting of proxies, excluding bankruptcy matters to which the Trustee's duties are set forth in (e) below;

(d) Submit or cause to be submitted to the Company or the Investment Manager, as designated by the Company, information received by the Trustee, or summaries of information, regarding ownership rights pertaining to property held in the Funds, in accordance with the Trustee's practices, excluding bankruptcy matters to which the Trustee's duties are set forth in Section (e) below;

(e) Forward to the Authorized Party designated by the Company an initial notice of bankruptcy cases relating to securities held in the Funds and a notice of any required action related to such bankruptcy cases as may be actually received by the Trustee. No further action or notification related to the bankruptcy case shall be required absent the specific agreement of the parties hereto;

(f) to exercise any rights appurtenant to any such stocks, bonds or other securities for the conversion thereof into other stocks, bonds or securities, or to exercise rights or options to subscribe for or purchase additional stocks, bonds or other securities, and to make any and all necessary payments with respect to any such conversion or exercise, as well as to write options with respect to such stocks and to enter into any transactions in other forms of options with respect to any options which the Fund has outstanding at any time;

(g) to join in, dissent from or oppose the reorganization, recapitalization, consolidation, sale or merger of corporations or properties of which the Fund may hold stocks, bonds or other securities or in which it may be interested, upon such terms and conditions as deemed wise, to pay any expenses, assessments or subscriptions in connection therewith, and to accept any securities or property, whether or not trustees would be authorized to invest in such securities or property, which may be issued upon any such reorganization, recapitalization, consolidation, sale or merger and thereafter to hold the same, without any duty to sell;

(h) to enter into any type of contract with any insurance company or companies, either for the purposes of investment or otherwise; provided that no insurance company dealing with the Trustee shall be considered to be a party to this Agreement and shall only be bound by and held accountable to the extent of its contract with the Trustee. Except as otherwise provided by any contract, the insurance company need only look to the Trustee with regard to any instructions issued and shall make disbursements or payments to any person, including the Trustee, as shall be directed by the Trustee. Where applicable, the Trustee shall be the sole owner of any and all insurance policies or contracts issued. Such contracts or policies, unless otherwise determined, shall be held as an asset of the Fund for safekeeping or custodian purposes only;

(i) to lend the assets of the Fund in accordance with the terms and conditions of a separate securities lending agreement;

(j) to purchase, enter, sell, hold, and generally deal in any manner in futures and/or options contracts, short-selling programs, foreign exchange or foreign exchange contracts, swaps, synthetic GICs, BICs and similar instruments and other derivative investments or of any other property; to grant, purchase, sell, exercise, permit to expire, permit to be held in escrow, and otherwise to acquire, dispose of, hold and generally deal in any manner with and in all forms of options in any combination.

Settlements of transactions may be effected in trading and processing practices customary in the

jurisdiction or market where the transaction occurs. The Company acknowledges that this may, in certain circumstances, require the delivery of cash or securities (or other property) without the concurrent receipt of securities (or other property) or cash and, in such circumstances, the Company shall have sole responsibility for nonreceipt of payment (or late payment) by the counterparty.

Notwithstanding anything in this Agreement to the contrary contained herein, the Trustee shall not be responsible or liable for its failure to perform under this Agreement or for any losses to the Account resulting from any event beyond the reasonable control of the Trustee, its agents or subcustodians. This provision shall survive the termination of this Agreement

Section 5.02 Specific Powers of the Trustee. The Trustee shall have the following powers and authority, to be exercised in its sole discretion with respect to the Fund:

(a) to appoint agents, custodians, subtrustees, or counsel, domestic or foreign, as to part or all of the Fund and functions incident thereto where, in the sole discretion of the Trustee, such delegation is necessary in order to facilitate the operations of the Fund and such delegation is not inconsistent with the purposes of the Fund or in contravention of any applicable law. To the extent that the appointment of any such person or entity may be deemed to be the appointment of a fiduciary, the Trustee may exercise the powers granted hereby to appoint as such a fiduciary any person or entity. Upon such delegation, the Trustee may require such reports, bonds or written agreements as it deems necessary to properly monitor the actions of its delegate.

(b) to cause any investment, either in whole or in part, in the Fund to be registered in, or transferred into, the Trustee's name or the names of a nominee or nominees, including but not limited to that of the Trustee or an affiliate of the Trustee, a clearing corporation, or a depository, or in book entry form, or to retain any such investment unregistered or in a form permitting transfer by delivery, provided that the books and records of the Trustee shall at all times show that such investments are a part of the Fund; and to cause any such investment, or the evidence thereof, to be held by the Trustee, in a depository, in a clearing corporation, in book entry form, or by any other entity or in any other manner permitted by law; provided that the Trustee shall not be responsible for any losses resulting from the deposit or maintenance of securities or other property (in accordance with market practice, custom, or regulation) with any recognized foreign or domestic clearing facility, book-entry system, centralized custodial depository, or similar organization; and

(c) to make, execute and deliver, as trustee, any and all deeds, leases, mortgages, conveyances, waivers, releases or other instruments in writing necessary or desirable for the accomplishment of any of the foregoing powers;

(d) to defend against or participate in any legal actions involving the Fund or the Trustee in its capacity stated herein, in the manner and to the extent it deems advisable;

(e) to form corporations and to create trusts, to hold title to any security or other property, to enter into agreements creating partnerships or joint ventures for any purpose or purposes determined by the Trustee to be in the best interests of the Fund;

(f) to establish and maintain such separate accounts in accordance with the instructions of the Company as the Company deems necessary for the proper administration of the Plans, or as determined to be necessary by the Trustee;

(g) to hold uninvested cash in its commercial bank or that of an affiliate, as it shall deem reasonable or necessary;

(h) to invest in any collective, common or pooled trust fund operated or maintained exclusively for the commingling and collective investment of monies or other assets including any such fund operated or maintained by the Trustee or an affiliate. The Company expressly understands and agrees that any such collective fund may provide for the lending of its securities by the collective fund trustee and that such collective fund's trustee will receive compensation for the lending of securities that is separate from any compensation of the Trustee hereunder, or any compensation of the collective fund trustee for the management of such collective fund. The Trustee is authorized to invest in a collective fund which invests in The Bank of New York Mellon Corporation stock in accordance with the terms and conditions of the Department of Labor Prohibited Transaction Exemption 95-56 (the "Exemption") granted to the Trustee and its affiliates and to use a cross-trading program in accordance with the Exemption. The Company acknowledges receipt of the notice entitled "Cross-Trading Information", a copy of which is attached to this Agreement as Exhibit D;

(i) to invest in open-end and closed-end investment companies, including those for which the Trustee or an affiliate provides services for a fee, regardless of the purposes for which such fund or funds were created, and any partnership, limited or unlimited, joint venture and other forms of joint enterprise created for any lawful purpose;

(j) to generally take all action, whether or not expressly authorized, which the Trustee may deem necessary or desirable for the protection of the Fund.

Notwithstanding anything else in this Agreement to the contrary, including, without limitation, any specific or general power granted to the Trustee and to the Investment Managers, including the power to invest in real property, no portion of the Fund shall be invested in real estate. For this purpose "real estate" includes, but is not limited to, real property, leaseholds or mineral interests.

The powers described in this Article V may be exercised by the Trustee with or without instructions, from the Company or a party authorized by the Company to act on its behalf, but where the Trustee acts on Authorized Instructions, the Trustee shall be fully protected as described in Section 3.09. Without limiting the generality of the foregoing, the Trustee shall not be liable for the acts or omissions of any person appointed under paragraph (a) of this Section 5.02 pursuant to Authorized Instructions.

ARTICLE VI
Termination

The Qualified Fund shall terminate upon the later of (A) the earlier of either (i) substantial completion of decommissioning of its respective Unit, as defined in the Special Terms, or (ii) disqualification of a Qualified Fund by the Internal Revenue Service as provided in Treas. Reg. §1.468A-5(c) or any corresponding future Treasury Regulation or (B) termination by the U.S. Nuclear Regulatory

Commission of the Company's operating license with respect to the Unit. The Nonqualified Funds shall terminate upon termination by the U.S. Nuclear Regulatory Commission of the Company's operating license with respect to their respective Unit unless continuance is requested by written instruction from the Company. Upon termination of any Fund, the assets of the terminated Fund shall be distributed in accordance with any written directive of the applicable regulator(s) concerning termination of such Fund. Absent a written directive of the applicable regulator(s) within thirty (30) days after it is notified of the termination, all of the assets shall be distributed to the Company. The Company shall provide the Trustee with notification that a Qualified Fund or the Nonqualified Fund, as the case may be, has terminated and with either (i) the written directive of the applicable regulator(s) or (ii) a certificate signed by a majority of members of the Committee stating that there is no applicable regulator's written directive and that thirty (30) days have elapsed since notification to the applicable regulator(s) of termination, as the case may be, prior to distribution of the assets of the terminated Fund.

ARTICLE VII
Miscellaneous

Section 7.01. Binding Agreement. All covenants and agreements in this Agreement shall be binding upon and inure to the benefit of the respective parties hereto, their successors and assigns.

Section 7.02. Notices. All notices and communications hereunder shall be in writing and shall be deemed to be duly given on the date mailed if sent by registered mail, return receipt requested, as follows:

MELLON BANK, N.A.
Trust and Investment Department
Attn: Trust Administration
Room 151-
One Mellon Financial Center
Pittsburgh, PA 15258

or at such other address as any of the above may have furnished to the other parties in writing by registered mail, return receipt requested.

Section 7.03. Governing Law. The Funds have been established pursuant to this Agreement in accordance with the requirements for a trust under the laws of the State of Michigan, and this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Michigan.

Section 7.04. Counterparts. This Agreement may be executed in several counterparts, and all such counterparts executed and delivered, each an original, shall constitute but one and the same instrument.

Section 7.05 (a) Contractual Income. The Trustee shall credit the Fund with income and maturity proceeds on securities on contractual payment date net of any taxes or upon actual receipt as agreed between the Trustee and the Company. To the extent the Company and the Trustee have agreed to credit income on contractual payment date, the Trustee may reverse such accounting entries with back value to the contractual payment date if the Trustee reasonably believes that such amount will not be received by it.

(b) Contractual Settlement. The Trustee will attend to the settlement of securities transactions on the basis of either contractual settlement date accounting or actual settlement date accounting as agreed between the Company and the Trustee. To the extent the Company and the Trustee have agreed to settle certain securities transactions on the basis of contractual settlement date accounting, the Trustee may reverse with back value to the contractual settlement date any entry relating to such contractual settlement where the related transaction remains unsettled according to established procedures.

Section 7.06 The Company and the Trustee hereby each represent and warrant to the other that it has full authority to enter into this Agreement upon the terms and conditions hereof and that the individual executing this Agreement on its behalf has the requisite authority to bind the Company and the Trustee to this Agreement. The Company has received and read the "Customer Identification Program Notice", a copy of which is attached to this Agreement as Exhibit E.

Section 7.07. Transition Management. The Company may engage the Trustee to provide transition management services with respect to certain assets subject to this Agreement by entering into a letter agreement with the Trustee. At such time, the Company shall designate certain assets to be transitioned from currently managed investment positions (the "Legacy Portfolio List") to positions described in the destination portfolio list that the Company will instruct the new Investment Manager(s) to provide to the Trustee (the "Destination Portfolio List") and/or to cash (the "Transition Program"). The parties agree that multiple Transition Programs may be governed by the terms and conditions of this Agreement and that a separate letter agreement shall be executed by the Company and the Trustee for each such Transition Program. The effective date for the Transition Program will be the date upon which the Trustee has received the Legacy Portfolio List, the Destination Portfolio List and the fully executed letter agreement. The Company agrees that the Trustee can rely on the accuracy of the Destination Portfolio List as provided by the new investment manager and agrees that the Trustee will not be responsible or liable for any losses or damages resulting from an error or omission in such asset list.

With respect to the Transition Program, the Company further authorizes the Trustee to utilize its affiliate MBSC, LLC ("MBSC") for the purchase or sale of equity securities exchanges through electronic crossing networks, market makers and/or national securities exchanges in accordance with the Transition Program. The Company acknowledges receipt of the notice entitled "Cross-Trading Information," a copy of which is attached to this Agreement as Exhibit D. The Trustee acknowledges that the foregoing authorization and direction to effect such affiliated brokerage transactions is terminable without penalty at any time by the Company effective immediately upon receipt by the Trustee of written notice in the form of Exhibit F or on such later date as the Company may specify. The Trustee is further authorized to purchase or sell stock of its affiliate, Mellon Financial Corporation, to the extent consistent with the Transition Program.

For each Transition Program, a report will be provided to the Company no later than forty-five (45) days following the period to which the report relates containing the following: (i) a compilation of the information provided in the confirmations relating to each trade; (ii) the total (expressed in dollars) and average (expressed in cents per share) of all securities related charges, the amount retained by MBSC and the amount paid to other persons; and (iv) the portfolio turnover ratio. The Company acknowledges that all equity trades will be placed through MBSC.

The Company represents and warrants that: (a) it is an institutional investor; (b) it has total assets in excess of $50 million; and (c) it will promptly notify the Trustee if any of the above representations in this paragraph are no longer true and accurate.

The Company hereby authorizes the Trustee to vote proxies received by the Trustee during the Transition Program with respect to the assets being transitioned and to exercise all other rights inherent in such assets. The Trustee will vote all such proxies in accordance with the Trustee Financial Corporation's proxy voting guidelines. The Company represents that proxy voting on securities held with respect to the Transition Program is not reserved to any other party.

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have hereunto set their hands and seals as of the day and year first above written.

By: Paul A. Stadnicki
Name: Paul A. Stadnicki
Title: Assistant Treasurer

Mellon Bank, N.A.

By: Jon Bangor
Name: Jon Bangor
Title: AVP

EXHIBIT "A"

SPECIAL TERMS OF THE QUALIFIED
NUCLEAR DECOMMISSIONING RESERVE FUND

The following Special Terms of the Qualified Nuclear Decommissioning Reserve Fund (the "Qualified Fund") (hereinafter referred to as the "Special Terms") will apply for purposes of the Nuclear Decommissioning Trust Agreement, dated 8-31-07 between The Detroit Edison Company (the "Company") and MELLON BANK, N.A. (the "Trustee") (the "Agreement").

Section 1. Definitions. The following terms as used in the Special Terms shall, unless the context clearly indicates otherwise, have the following respective meanings:

(a) "Administrative costs and other incidental expenses of a Qualified Fund" shall mean all ordinary and necessary expenses incurred in connection with the operation of a Qualified Fund, as provided in Treas. Reg. §1.468A-5(a)(3)(ii)(A) or any corresponding future Treasury Regulation, including without limitation, federal, state and local income tax, legal expenses, accounting expenses, actuarial expenses and trustee expenses.

(b) "Qualified Decommissioning Costs" shall mean all expenses otherwise deductible for federal income tax purposes without regard to section 280B of the Internal Revenue Code of 1986, as amended, or any corresponding section or sections of any future United States internal revenue statute (the "Code"), incurred (or to be incurred) in connection with the entombment, decontamination, dismantlement, removal and disposal of the structures, systems and components of the Unit(s) when it has permanently ceased the production of electric energy, excluding any costs incurred for the disposal of spent nuclear fuel, as provided in Treas. Reg. §1.468A-1(b)(5) or any corresponding future Treasury Regulation. Such term includes all otherwise deductible expenses to be incurred in connection with the preparation for decommissioning, such as engineering and other planning expenses, and all otherwise deductible expenses to be incurred with respect to the Unit after the actual decommissioning occurs, such a physical security and radiation monitoring expenses.

(c) "Permissible Assets" shall mean any investment permitted for a qualified nuclear decommissioning reserve fund under section 468A of the Code and the regulations thereunder.

(d) "MPSC" shall mean the Michigan Public Utility Commission.

(e) "Substantial completion of decommissioning" shall mean the date that the maximum acceptable radioactivity levels mandated by the U.S. Nuclear Regulatory Commission with respect to a decommissioned nuclear power plant are satisfied by the Unit; provided, however, that if the Company requests a ruling from the Internal Revenue Service, the date designated by the Internal Revenue Service as the date on which substantial completion of decommissioning occurs shall govern; provided, further, that the date on which substantial completion of decommissioning occurs shall be in accordance with Treas. Reg. §1.468A-5(d)(2) or any corresponding future Treasury Regulation.

Section 2. Contributions to a Qualified Fund. The assets of a Qualified Fund shall be contributed by the Company (or by others approved by the Company in writing) from time to time in cash; except to the extent the contribution is a pour-over from a Nonqualified Fund pursuant to Section 468A of the Code. The Trustee shall not accept any contributions for a Qualified Fund other than cash payments with respect to which the Company is allowed a deduction under section 468A(a) of the Code and Treas. Reg. §1.468A-2(a) or any corresponding future Treasury Regulations. The Company hereby represents that all contributions (or deemed contributions) by the Company to a Qualified Fund in accordance with the provisions of Section 1.04 of the Agreement shall be deductible under section 468A of the Code and Treas. Reg. §1.468A-2(a) or any corresponding future Treasury Regulation or shall be withdrawn pursuant to Section 4 hereof.

Section 3. Limitation on Use of Assets. The assets of a Qualified Fund shall be used exclusively as follows:

(a) To satisfy, in whole or in part, the liability of the Company for Qualified Decommissioning Costs through payments by the Trustee pursuant to Section 2.02 of the Agreement; and

(b) To pay the administrative costs and other incidental expenses of a Qualified Fund; and

(c) To the extent the assets of a Qualified Fund are not currently required for (a) and (b) above, to invest directly in Permissible Assets.

Section 4. Withdrawals by the Company. If the Company's contribution (or deemed contribution) to a Qualified Fund in any one year exceeds the amount deductible under section 468A of the Code and the regulations thereunder, the Company may withdraw such excess contribution from a Qualified Fund or instruct the Trustee to withdraw such excess contribution from a Qualified Fund and pay such excess contribution to a Nonqualified Fund, as defined in the Agreement, pursuant to Section 2.04 of the Agreement, provided any such withdrawal occurs on or before the date prescribed by law (including extensions) for filing the federal income tax return of the Fund for the taxable year to which the excess contribution relates for withdrawals pursuant to Treas. Reg. §§1.468A-5(c)(2) and 1.468A-2(f)(2) and occurs on or before the later of the date prescribed by law (including extensions) for filing the federal income tax return of the Fund for the taxable year to which the excess contribution relates or the date that is thirty (30) days after the date that the Company receives the ruling amount for such taxable year for withdrawals pursuant to Treas. Reg. §1.468A-3(j)(3). If the Company determines that withdrawal pursuant to this Section 4 is appropriate, the Company shall present a certificate so stating to the Trustee signed by a majority of members of the Committee, requesting such withdrawal. The certificate shall be substantially in the form attached as Exhibit C to the Agreement for transfers to a Nonqualified Fund as provided in Section 2.04 of the Agreement and substantially in the form of Exhibit G to the Agreement for withdrawals by the Company.

Section 5. Taxable Year/Tax Returns. The accounting and taxable year for a Qualified Fund shall be the taxable year of the Company for federal income tax purposes. If the taxable year of the Company shall change, the Company shall notify the Trustee of such change and the accounting and taxable year of a Qualified Fund must change to the taxable year of the Company as provided in Treas. Reg. §1.468A-4(c)(1) or any corresponding future Treasury Regulation. The Company shall assist the Trustee in complying with any requirements under section 442 of the

Code and Treas. Reg. §1.442-1. The Company shall prepare, or cause to be prepared, any tax returns required to be filed by a Qualified Fund, and the Trustee shall sign and file such returns on behalf of the Fund. The Trustee shall cooperate with the Company in the preparation of such returns.

EXHIBIT "B"

CERTIFICATE FOR PAYMENT
OF DECOMMISSIONING COSTS

[Name of Trustee],
as Trustee
[Address]

This Certificate is submitted pursuant to Section 2.02 of the Nuclear Decommissioning Trust Agreement, dated _____, between Mellon Bank. N.A. and The Detroit Edison Company (the "Company") (the "Agreement"). All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement. In your capacity as Trustee, you are hereby authorized and requested to disburse out of the Funds to ____ the amount of $_____ from the [IDENTIFY NAME OF FUND] Qualified Fund and the amount of $_____ from the [IDENTIFY NAME OF FUND] Nonqualified Fund for the payment of the Decommissioning Costs which have been incurred with respect to the [IDENTIFY UNIT]. With respect to such Decommissioning Costs, the Company hereby certifies as follows:

1. The amount to be disbursed pursuant to this Certificate shall be solely used for the purpose of paying the Decommissioning Costs described in Schedule A hereto.

2. None of the Decommissioning Costs described in Schedule A hereto have previously been made the basis of any certificate pursuant to Section 2.02 of the Agreement.

3. The amount to be disbursed from the Qualified Fund pursuant to this Certificate shall be used solely for the purpose of paying Qualified Decommissioning Costs as defined in the Special Terms.

4. Any necessary authorizations of the MPSC, or any corresponding governmental authority having jurisdiction over the decommissioning of the Unit have been obtained.

IN WITNESS WHEREOF, the undersigned have executed this Certificate in the capacity shown below as of _____.

By: _____
Name:
Title:

MELLON BANK, N.A.

By: _____
Name:
Title:

EXHIBIT "C"

CERTIFICATE FOR TRANSFER
BETWEEN THE QUALIFIED FUND
AND THE NONQUALIFIED FUND

[Name of Trustee],
as Trustee
[Address]

This Certificate is submitted pursuant to Section 2.04 of the Nuclear Decommissioning Trust Agreement, dated _____, between Mellon Bank, N.A. (the "Trustee") and The Detroit Edison Company (the "Company") (the "Agreement"). All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement. In your capacity as Trustee, you are hereby authorized and instructed as follows (complete one):

To pay $___ in cash/transfer securities from the [IDENTIFY FUND] Nonqualified Fund to the [IDENTIFY FUND] Qualified Fund; or

To pay $___ in cash from [IDENTIFY FUND] Qualified Fund to the[IDENTIFY FUND] Nonqualified Fund.

With respect to such payment, the Company hereby certifies as follows:

1. Any amount stated herein to be paid from the Nonqualified Fund to the Qualified Fund is in accordance with the contribution limitations applicable to the Qualified Fund set forth in Section 2 of the Special Terms and the limitations of Section 2.04 of the Agreement or is in connection of a pour-over from a Nonqualified Fund pursuant to Section 468A of the Code.

2. Any amount stated herein to be paid from the Qualified Fund to the Nonqualified Fund is in accordance with Section 4 of the Special Terms. The Company has determined that such payment is appropriate under the standards of Section 4 of the Special Terms.

IN WITNESS WHEREOF, the undersigned have executed this Certificate in the capacity as shown below as of _____,____.

By: _____
Name:
Title:

MELLON BANK, N.A.

By: _____
Name:
Title:

EXHIBIT "D"

CROSS-TRADING INFORMATION

As part of the cross-trading program covered by the Exemption for Mellon Bank, N.A. and its affiliates, Mellon Bank, N.A. is to provide to each affected Fund the following information:

I. The existence of the cross-trading program

Mellon Bank, N.A. has developed and intends to utilize, wherever practicable, a cross-trading program for Indexed Accounts and Large Accounts as those terms are defined in the Exemption.

II. The "triggering events" creating cross-trade opportunities

In accordance with the Exemption three "triggering events" may create opportunities for cross-trading transactions. They are generally the following (see the Exemption for more information):

1) A change in the composition or weighting of the index by the independent organization creating and maintaining the index;

2) A change in the overall level of investment in an Indexed Account as a result of investments and withdrawals on the account's opening date, where the Account is a bank collective fund, or on any relevant date for non-bank collective funds; provided, however, a change in an Indexed Account resulting from investments or withdrawals of assets of Mellon Bank, N.A.'s own plans (other than Mellon Bank, N.A.'s defined contribution plans under which participants may direct among various investment options, including Indexed Accounts) are excluded as a "triggering event"; or

3) A recorded declaration by Mellon Bank, N.A. that an accumulation of cash in an Indexed Account attributable to interest or dividends on, and/or tender offers for, portfolio securities equal to not more than 0.5% of the Account's total value has occurred.

III. The pricing mechanism utilized for securities purchased or sold

Securities will be valued at the current market value for the securities on the date of the crossing transaction.

Equity securities - the current market value for the equity security will be the closing price on the day of trading as determined by an independent pricing service; unless the security was added to or deleted from an index after the close of trading, in which case the price will be the opening price for that security on the next business day after the announcement of the addition or deletion.

Debt securities - the current market value of the debt security will be the price determined by Mellon Bank, N.A. as of the close of the day of trading according to the Securities and Exchange Commission's Rule 17a-7(b)(4) under the Investment Company Act of 1940. Debt securities that are not reported securities or traded on an exchange will be value based on an average of the highest current independent bids and the lowest current independent offers on the day of cross trading. Mellon Bank, N.A. will use reasonable inquiry to obtain such prices from at least three independent sources that are brokers or market makers. If there are fewer than three independent sources to price a certain debt security, the closing price quotations will be obtained from all available sources.

IV. The allocation methods

Direct cross-trade opportunities will be allocated among potential buyers or sellers of debt or equity securities on a prorata basis. With respect to equity securities, please note Mellon Bank, N.A. imposes a trivial dollar amount constraint to reduce excessive custody ticket charges to participating accounts.

V. Other procedures implemented by Mellon Bank, N.A. for its cross-trading practices

Mellon Bank, N.A. has developed certain internal operational procedures for cross-trading debt and equity securities. These procedures are available upon request.

EXHIBIT E

MELLON

CUSTOMER IDENTIFICATION PROGRAM NOTICE

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, all financial institutions are required by law to obtain, verify and record information that identifies each individual or entity that opens an account.

What this means for you: When you open an account, we will ask you for your name, address, taxpayer or other government identification number and other information, such as date of birth for individuals, that will allow us to identify you. We may also ask to see identification documents such as a driver's license, passport or documents showing existence of the entity.

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EXHIBIT F

CROSS-TRADING TERMINATION FORM FOR LARGE ACCOUNTS

Instructions:

This Form is provided as a convenient method to terminate cross-trading for the _____ (the "Account").[1] *By providing this Form to you, Mellon Bank, N.A. and its affiliates ("Mellon"), are NOT recommending you terminate cross-trading transactions for your Account, as Mellon believes cross-trading techniques reduce the amount of brokerage commissions and expenses otherwise charged to your Account.* However, whether the Account continues to engage in cross-trading transactions is entirely your decision. If you decide to terminate your authorizations, you may do so by signing and return this Form to your transition services contact at Mellon. Once Mellon receives an executed Form, it will time-stamp it and promptly notify the appropriate people at Mellon to cease cross-trading for the Account. Any cross-trades which are already in process before the time-stamp, but not yet settled, will be processed and will not be affected by the termination.

If you have any questions about the Form or the cross-trading transactions for your Account, please contact Chris Carr Smith at (415) 267-1262.

For execution by the authorized fiduciary of the Account:

As an authorized fiduciary for the Account, I hereby instruct Mellon to terminate cross-trading transaction for the Account in accordance with the procedures detailed above.

_____ _____

(Account Name) ***(Print Name)***

FORMNDT.doc

[1]Prior authorization has been obtained to engage in cross-trading transactions for your Account with investment funds, accounts or portfolios Sponsored, maintained, trusteed or managed by Mellon which are either Index Funds or Model-Driven Funds as defined in Mellon's Department of Labor Prohibited Transaction Exemption 95-56 ("PTE 95-56"). *PTE 95-56 requires Mellon to allow you to terminate at will without penalty your authorization upon receipt by Mellon of this executed Form; and to notify you that failure to return this Form will result in the continued authorization of Mellon to engage in cross-trading transactions on behalf of the Account.*

"EXHIBIT "G"

CERTIFICATE FOR WITHDRAWAL
OF EXCESS CONTRIBUTIONS
FROM QUALIFIED FUND

[Name of Trustee],
as Trustee
[Address]

This Certificate is submitted pursuant to Section 4 of the Special Terms attached as Exhibit A to the Nuclear Decommissioning Trust Agreement, dated _____, between Mellon Bank, N.A. (the "Trustee") and The Detroit Edison Company (the "Company") (the "Agreement"). All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement. In your capacity as Trustee, you are hereby authorized and instructed to pay $_____ in cash to the Company from the [IDENTIFY FUND] Qualified Fund. With respect to such payment, the Company hereby certifies that withdrawal pursuant to Section 4 of the Special Terms is appropriate and that $_____ constitutes an excess contribution pursuant to such Section.

IN WITNESS WHEREOF, the undersigned have executed this Certificate in the capacity as shown below as of , .

_____

By: _____
Name:
Title:

MELLON BANK, N.A.

By: _____
Name:
Title: