

**Detroit Edison**



10 CFR 140.21

November 26, 2008  
NRC-08-0073

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, 2007 (AUDITED) and September 30, 2008 (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) 586-5076.

Sincerely,

A handwritten signature in black ink, appearing to read "Rodney W. Johnson".

Rodney W. Johnson  
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,  
Michigan Public Service Commission

11001  
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## THE DETROIT EDISON COMPANY CONSOLIDATED STATEMENTS OF CASH FLOWS

(in Millions)	Year Ended December 31		
	2007	2006	2005
<b>Operating Activities</b>			
Net income	\$ 317	\$ 321	\$ 274
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	764	812	640
Deferred income taxes	(111)	2	40
Asset (gains) and reserves, net	8	(6)	(26)
Cumulative effect of accounting change	—	(1)	3
Changes in assets and liabilities, exclusive of changes shown separately (Note 1)	(213)	(213)	98
Net cash from operating activities	<u>765</u>	<u>915</u>	<u>1,029</u>
<b>Investing Activities</b>			
Plant and equipment expenditures	(809)	(972)	(722)
Proceeds from sale of assets, net	3	28	30
Restricted cash for debt redemptions	(3)	(48)	(9)
Notes receivable from affiliate	—	—	85
Proceeds from sale of nuclear decommissioning trust fund assets	286	253	201
Investment in nuclear decommissioning trust funds	(323)	(284)	(235)
Other investments	(33)	(29)	(71)
Net cash used for investing activities	<u>(879)</u>	<u>(1,052)</u>	<u>(721)</u>
<b>Financing Activities</b>			
Issuance of long-term debt	50	314	857
Redemption of long-term debt	(185)	(126)	(997)
Short-term borrowings, net	129	114	163
Short-term borrowings from affiliate	277	—	—
Capital contribution by parent company	175	150	—
Dividends on common stock	(305)	(305)	(305)
Other	(7)	(9)	(6)
Net cash from (used for) financing activities	<u>134</u>	<u>138</u>	<u>(288)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>20</b>	<b>1</b>	<b>20</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b><u>27</u></b>	<b><u>26</u></b>	<b><u>6</u></b>
<b>Cash and Cash Equivalents at End of the Period</b>	<b><u>\$ 47</u></b>	<b><u>\$ 27</u></b>	<b><u>\$ 26</u></b>

See Notes to Consolidated Financial Statements

**THE DETROIT EDISON COMPANY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

(in Millions)	Nine Months Ended September 30	
	2008	2007
<b>Operating Activities</b>		
Net Income	\$ 251	\$ 207
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	563	583
Deferred income taxes	70	(191)
Asset (gains) and reserves, net	(1)	12
Changes in assets and liabilities, exclusive of changes shown separately	(33)	367
Net cash from operating activities	850	978
<b>Investing Activities</b>		
Plant and equipment expenditures	(651)	(598)
Restricted cash for debt redemptions	101	45
Proceeds from sale of nuclear decommissioning trust fund assets	180	227
Investment in nuclear decommissioning trust funds	(202)	(254)
Notes receivable from affiliates	—	(139)
Other investments	(33)	(16)
Net cash used for investing activities	(605)	(735)
<b>Financing Activities</b>		
Issuance of long-term debt	566	—
Redemption of long-term debt	(166)	(132)
Repurchase of long-term debt	(238)	—
Short-term borrowings other	(33)	(37)
Short-term borrowings — affiliates	(268)	—
Capital contribution by parent company	175	175
Dividends on common stock	(228)	(228)
Other	(7)	(5)
Net cash used for financing activities	(199)	(227)
<b>Net Increase in Cash and Cash Equivalents</b>	<b>46</b>	<b>16</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>47</b>	<b>27</b>
<b>Cash and Cash Equivalents at End of the Period</b>	<b>\$ 93</b>	<b>\$ 43</b>