

Joseph H. Plona
Site Vice President

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DTE Energy



10CFR50.75(f)(1)

March 31, 2010
NRC-10-0025

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 funding for Fermi 1.

Fermi 1 is a permanently shutdown experimental sodium cooled breeder reactor, which last operated in 1972. It is in the SAFSTOR status and its possession-only license expires in 2025. Decommissioning activities are being performed with the goal of removing the radioactive material and terminating the Fermi 1 license. The cost of decommissioning continues to be evaluated as decommissioning proceeds.

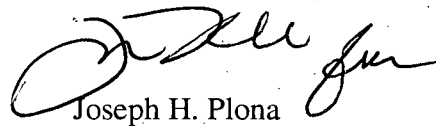
The requested annual decommissioning funding information for Fermi 1, reported in 2010 dollars, is provided as an enclosure to this letter. The prepayment trust method and Detroit Edison funding combined with a DTE Energy guarantee is providing financial assurance. Documentation of the financial test for this guarantee is also provided as an attachment to this letter.

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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

JHP/DTB/dtb

Enclosures (1)
Attachments (4)

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

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bcc: G. Cerullo
W. A. Colonnello
J. M. Davis
L. S. Goodman
T. Grimaldi
R. Johnson
A. Moore
J. J. Musial
K. L. O'Neill
R. Pelzer
D. Richards
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 ongoing engineering reviews. The estimated remaining decommissioning cost in both nominal and 2010 dollars, including contingency. ~\$22

2. The market value of the Fermi 1 trust fund was approximately \$2.6 million as of December 31, 2009. This amount is greater than the amount needed to return the facility to a passive safe storage condition if the project were to cease for any reason. ~\$2.6

3. Amount fund is above (or below) estimated remaining costs. ~\$(20)
A DTE Energy guarantee has been chosen as the assurance method for Fermi 1's shortfall.

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

Decommissioning costs are assumed to increase at a rate equal to 4.0% with earnings on decommissioning fund to be equal to 0%.

5. Any modifications to the current method of providing financial assurance occurring since the last submitted report. None

6. Any material changes to the trust agreement: None

ATTACHMENTS

FERMI 1

NRC DECOMMISSIONING FUNDING STATUS REPORT

- 1) LETTER FROM CHIEF FINANCIAL OFFICER**
- 2) DTE ENERGY PARENT COMPANY GUARANTEE**
- 3) INDEPENDENT ACCOUNTANT'S REPORT**
- 4) CERTIFICATE OF THE CORPORATE SECRETARY**

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

**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), One Energy Plaza, 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:

<u>Name of Facility</u>	<u>Location of Facility</u>	<u>Current Cost Estimates</u>	<u>Amount Being Guaranteed</u>
Enrico Fermi Atomic Power Plant Unit 1	6400 N. Dixie Hwy Newport, MI 48166	\$22,000,000	\$20,000,000

This firm is required to file a Form 10K with the U.S. Securities and Exchange Commission for the latest fiscal year 2009.

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, 2009.

FINANCIAL TEST: ALTERNATIVE II

1. Decommissioning cost estimates or guaranteed amount for facility [license number DPR 9] \$20,000,000
2. Current notes rating of most recent unsecured issuance of this firm
Rating BBB-/Baa2
Name of rating service Standard & Poor's / Moody's Investors Service
3. Date of issuance of notes May 2009
4. Date of maturity of notes May 15, 2014

5*. Tangible net worth**	<u>\$4,238,000,000</u>		
6*. Total assets in the United States	<u>\$24,168,000,000</u>		
		<u>Yes</u>	<u>No</u>
7. Is line 5 at least \$10 million?		<u>X</u>	___
8. Is line 5 at least 6 times line 1?		<u>X</u>	___
9. Are at least 90 percent of firm's assets located in the United States? If not, complete line 10.		<u>X</u>	___
10. Is line 6 at least 6 times line 1?		<u>X</u>	___
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)***		<u>X</u>	___

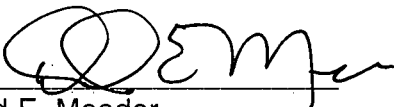
* denotes figures derived from financial statements

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

*** "BBB" and "Baa" are rating categories, not specific ratings, so DTE Energy has interpreted the criteria to be that the ratings are within the BBB category or Baa category or better. DTE meets this standard.

I certify that the information is true and correct to the best of my knowledge

DTE Energy Company

By 

David E. Meador
Executive Vice President and Chief Financial Officer, DTE Energy Company
March 26, 2010

PARENT COMPANY GUARANTEE

Guarantee made this 25th day of March 2010 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, MI**, 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 CFR 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 the **Fermi Atomic Power Plant Unit 1** as required by 10 CFR Part 50. The guarantee amount is as follows: **\$20,000,000 for the 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 at 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 at 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, MI 48166, license number DPR – 9.**
6. Decommissioning activities as used below refers to the activities required by 10 CFR Part 50 for decommissioning of 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 Finance Committee acting on delegation of authority from 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 2010 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 of **DECo** or make full payment under the guarantee to a standby trust established by **DECo**.
10. Independent of any notification under paragraph 9 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 or all of the following: amendment or modification of license or NRC-approved 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 to **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, 2010

DTE Energy Company



David E. Meador, Executive Vice President and Chief Financial Officer

Signature of witness or notary: Sharon R. Augustyn

SHARON R. AUGUSTYN
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Nov 12, 2012
ACTING IN COUNTY OF WAYNE

The Detroit Edison Company



N. A. Khouri, Vice President and

Treasurer

Signature of witness or notary: Sharon R. Augustyn

SHARON R. AUGUSTYN
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Nov 12, 2012
ACTING IN COUNTY OF WAYNE

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Plaza
1900 St. Antoine Street
Detroit MI 48226-2263
Telephone (313) 394 6000
Facsimile (313) 394 6555

Report of Independent Accountants

To The Detroit Edison Company

We have performed the procedures enumerated below, which were agreed to by The Detroit Edison Company (the "Company") and the U.S. Nuclear Regulatory Commission ("NRC"), solely to assist you in the Company's compliance with the NRC financial assurance regulations, 10 CFR Part 50, as of December 31, 2009, as detailed in the "Letter from David E. Meador, Chief Financial Officer of DTE Energy Company, Corporate Parent of The Detroit Edison Company, Including Costs Estimates and Data from Audited Financial Statements" (the "Letter") to be provided to the NRC. The Company is responsible for the Letter. 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.

1. We compared the amount of "Tangible net worth" per line 5 of the Letter to "Total Equity" less the sum of "Goodwill" and "Intangible assets," as reflected in the audited consolidated financial statements of DTE Energy Company as of December 31, 2009, and found the amounts to be in agreement.
2. We compared the amount of "Total assets in the United States" per line 6 of the Letter to a schedule prepared by the Company from its accounting records. We compared the amounts listed on the schedule to the corresponding amounts included in the Company's accounting records and found the amounts to be in agreement.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Letter. 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 and use of The Detroit Edison Company and the U.S. Nuclear Regulatory Commission, and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

March 24, 2010

DTE ENERGY COMPANY

Certificate of the Corporate Secretary

I, Sandra Kay Ennis, the duly elected and acting Corporate Secretary of DTE Energy Company, a Michigan corporation (the "Company"), do hereby certify as follows:

Attached hereto as Exhibit A is a true and correct copy of resolutions ("Resolutions") adopted at a meeting of the Board of Directors of the Company held on September 28, 2006, at which meeting a quorum was present and acting throughout; and such Resolutions have not been amended, modified, supplemented or rescinded and are in effect on the date hereof;

IN WITNESS WHEREOF, I have set my hand this 15th day of March, 2010.

DTE ENERGY COMPANY

By: *Sandra Kay Ennis*
Sandra Kay Ennis
Corporate Secretary

EXHIBIT A

Guarantee Increase

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.