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10 CFR 50.75(f)(1)

March 30, 2011  
NRC-11-0015

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

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

Subject: Decommissioning Funding Status Report for Fermi 2

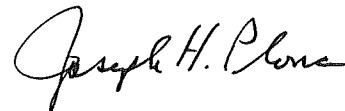
This letter provides the report required by 10 CFR 50.75(f)(1) on the status of Detroit Edison's decommissioning fund for Fermi 2.

Fermi 2 is an operating boiling water reactor with a licensed power of 3430MWt. The Fermi 2 operating license expires in 2025.

The requested annual decommissioning fund information for Fermi 2, reported in 2010 dollars, is provided in the Enclosure to this letter. An external sinking fund is being used to accumulate monies for the decommissioning of Fermi 2.

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

Sincerely,



Enclosure

cc: NRC Project Manager  
NRC Resident Office  
Reactor Projects Chief, Branch 4, Region III  
Regional Administrator, Region III  
Supervisor, Electric Operators,  
Michigan Public Service Commission

USNRC  
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Fermi 1 Staff

Information Management (140 NOC)  
Nuclear Facilities Unit (MDEQ)  
Fermi 2 Decommissioning Funding Records  
NRR Chron File  
NRC Notebook (Fermi 1)  
NSRG Secretary (220 TAC)

**Enclosure to**

**NRC-11-0015**

**Decommissioning Funding Status Report for Fermi 2**

**Fermi 2**

**NRC Docket No. 50-341**

**NRC License No. NPF-43**

**NRC Decommissioning Funding Status Report**  
**Fermi 2**  
 (Millions of Dollars)

- |  |       |
|--|-------|
| 1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c) <sup>1</sup> .  | \$968 |
| 2. The amount accumulated at the end of calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c).   | \$902 |
| 3. The schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c). The collections for Fermi 2 decommissioning are included in the Company's rates. Currently, approximately \$33 million is being collected per year for Fermi 2 decommissioning. The Exact amount per year is based on sales. The amount being collected includes provision for site restoration, in addition to nuclear decommissioning items included in 10CFR50.75(b) and (c).<br>In a pending electric rate case at the Michigan Public Service Commission (MPSC Case No U-16472), Detroit Edison proposed a reduction in the surcharge collection (from \$33 to about \$13.5 million per year) related to Fermi 2 end-of-life decommissioning. Collections will continue at the existing rate unless and until the proposed rate is approved by the MPSC. |       |
| amount remaining (\$968-\$902)   | \$66  |
| No. of years to collect (2011-2025)  | 14    |
| 4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning fund, and rates of other factors used in funding projections.   |       |
| All decommissioning costs are assumed to increase at 6.0% annually; decommissioning funds are assumed to earn at 7.0% after-tax, therefore the real rate of return is less than 2%.  |       |
| 5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e) (1) (v).  | None  |
| 6. Any modifications to the current method of providing financial assurance occurring since the last submitted report:   | None  |
| 7. Any material changes to the trust agreement:  | None  |

<sup>1</sup> The NRC formulas in section 10 CFR 50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.