

Joseph H. Piona
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DTE Energy



10 CFR 50.75(f)(1)

March 30, 2011
NRC-11-0014

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

Reference: 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 cost of decommissioning continues to be evaluated as decommissioning proceeds. The decommissioning estimate provided is based on an end of year review, as required. A more detailed financial review of the project is currently in progress.

The requested annual decommissioning fund information for Fermi 1, reported in 2010 dollars, is provided in Enclosure 1 of this letter. The prepayment trust method and Detroit Edison funding combined with a DTE Energy guarantee is providing funding assurance. Documentation of the financial test for this guarantee is provided in Enclosure 2 of 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,

A handwritten signature in cursive script that reads "Joseph H. Alona". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Enclosures

cc: NRC Project Manager (T. Smith)
NRC Resident Office
NRC Region III (P. Lee)
Regional Administrator, Region III
Supervisor, Electric Operations,
Michigan Public Service Commission

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bcc: P. B. Cavazos
G. H. Cerullo
W. A. Colonnello
J. M. Davis
L. S. Goodman
T. Grimaldi
M. K. Homan
R. W. Johnson
J. J. Musial
K. L. O'Neill
R. K. Pelzer
J. H. Plona
D. T. Richards
L. D. Schenk
S. Stasek
K. H. Stump
Fermi 1 Staff

Information Management (140 NOC)
[Fermi 1 Decommissioning Funding Records]
NRR Chron File
NRC Notebook (Fermi 1)

**ENCLOSURE 1
to
NRC-11-0014**

FERMI 1

DECOMMISSIONING FUNDING STATUS REPORT

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

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 2010 dollars, including a contingency of 25% or \$4.5 million ¹ . | ~\$22.5 |
| 2. | The market value of the Fermi 1 trust fund was approximately \$2.6 million as of December 31, 2010. This amount is greater than the amount needed to return the facility to a passive safe storage condition if the project were to cease. | ~\$2.6 |
| 3. | Amount fund is above (or below) estimated remaining costs.
A DTE Energy guarantee has been chosen as the assurance method for Fermi 1's shortfall. | ~\$(20) |
| 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 0% due to the majority of the money to be spent within the next 12 months, 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 |

¹ The project cost estimate cited in the DTE Energy guarantee funding assurance document included an identified contingency of \$3.0 million.

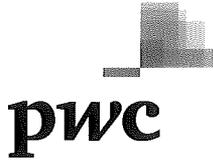
ENCLOSURE 2
to
NRC-11-0014

FERMI 1

DECOMMISSIONING FUNDING STATUS REPORT

DTE Energy Guarantee Financial Test

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



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, 2010, 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, 2010, 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, after giving effect to rounding.

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 25, 2011

**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	\$21,000,000	\$20,000,000

This firm is required to file a Form 10-K with the U.S. Securities and Exchange Commission for the latest fiscal year 2010.

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, 2010.

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** \$4,680,000,000

6*. Total assets in the United States \$24,868,000,000

	<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>	___

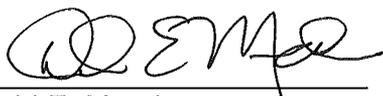
* denotes figures derived from financial statements

** 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 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 25, 2011