

From: Chawla, Mahesh
Sent: Tuesday, May 10, 2011 3:25 PM
To: Alan I Hassoun
Cc: Purdie, Michael; Simpson, JoAnn; Pascarelli, Robert; Regan, Christopher
Subject: Fermi 2 - ME5483 - 2011 Biennial Decommissioning Funding Reports - Request for Additional Information

Sam,

In reference to the above Detroit Edison's (DTE Energy) 2011 Decommissioning Funding Status (DFS) report, the NRC staff is submitting the following request for additional information (RAI). On March 30, 2011, DTE Energy submitted to the U.S. Nuclear Regulatory Commission (NRC) the 2011 DFS report for Fermi (Enrico) Atomic Power Plant, Unit 2 (Fermi 2), as required under Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.75(f)(1) (Agencywide Documents Access and Management System (ADAMS) Accession No. ML110900570). DTE Energy should provide a response within 30 days from the date of this request. Please let me know if you need to discuss the request with the NRC staff:

RAI #1: Minimum DFA calculation:

Provide the labor, energy, and burial factors used in the calculation of the minimum requirements for decommissioning financial assurance and, if necessary, a corrected submittal for that part of the DFS report. If DTE Energy is using a site-specific cost estimate, provide the site-specific cost estimate for Fermi 2, unless it was previously submitted to NRC. If the cost estimate was previously submitted to NRC, then provide a reference to its submittal. The site-specific cost estimate should include a summary schedule of annual expenses, projected earnings, and end-of-year fund balances, expressed in 2010 dollars.

On March 30, 2011, DTE Energy reported an amount of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c) greater than the amount calculated by the NRC staff.

According to 10 CFR 50.75(f)(1), the amount provided in the DFS report should be "the amount of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c)."

The formulas for the factors used by the staff can be found using NUREG-1307, Rev. 14, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities." For example, the calculations for the Labor and Energy Adjustment Factors can be found on pages 7 and 8 of NUREG-1307, Rev. 14.

RAI #2: After-tax decommissioning funds as of December 31, 2010:

Indicate if the amount of decommissioning funds identified within the DFS report for Fermi 2 is the after-tax amount of decommissioning funds accumulated through December 31, 2010. If not, provide the after-tax amount of decommissioning funds accumulated through December 31, 2010.

On March 30, 2011, DTE Energy reported the amount of decommissioning funds accumulated as of December 31, 2010, for Fermi 2, but did not indicate if the amount stated was a before or after-tax balance.

The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report.

RAI #3: Citation for real rate of return:

Provide the citation (e.g. an Order by the rate-regulatory authority) by the regulatory entity that allows for the assumptions used regarding rates of escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors assumed in the DFS report.

Within its March 30, 2011, DFS report, DTE Energy reported:

6 percent rate of escalation in decommissioning costs, and
7 percent rates of earnings on decommissioning funds after-tax.

As stated in 10 CFR 50.75(f)(1):

the information in [the DFS] report must include [. . .] the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. . .

RAI #4: Annual Collections:

Indicate the amount of the annual decommissioning contributions authorized by your rate regulating authority that will be accumulated for radiological decommissioning.

Within its DFS report, DTE Energy stated that approximately \$33 million is being collected per year for Fermi 2 decommissioning. However, according to DTE Energy the amount being collected includes provisions for "...site restoration, in addition to nuclear decommissioning items in 10 CFR 50.75(b) and (c)."

As stated under 10 CFR 50.75(f)(1), licensees must identify "the amount accumulated to the end of the calendar year preceding the date of the report." This actual amount is dedicated for NRC decommissioning activities as defined in 10 CFR 50.2.