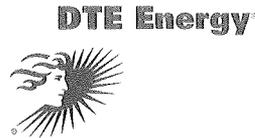


Joseph H. Plona  
Site Vice President

6400 N. Dixie Highway, Newport, MI 48166  
Tel: 734.586.5910 Fax: 734.586.4172



10 CFR 50.75(f)(1)

March 29, 2012  
NRC-12-0020

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) and 10 CFR 50.82(a)(8)(iv) on the status of Detroit Edison's decommissioning funding assurance for Fermi 1.

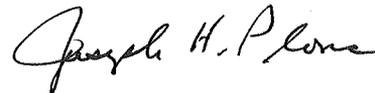
Fermi 1 is a permanently shutdown experimental sodium cooled breeder reactor, which last operated in 1972. It is in SAFSTOR status and its possession-only license expires in 2025. Activities have been performed for the purpose of returning Fermi 1 to passive SAFSTOR. At a later time, decommissioning will be continued for the purpose of removing the remaining residual radioactive material and terminating the Fermi 1 license. The decommissioning estimate provided is based on an end of year review, as required.

The requested annual decommissioning fund information for Fermi 1, reported in 2011 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.

USNRC  
NRC-12-0020  
Page 2

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. Plone".

Enclosures

cc: T. Smith, NRC  
P. Lee, NRC Region III  
NRC Regional Administrator, Region III  
NRC Resident Inspector - Fermi 2  
Supervisor, Electric Operators,  
Michigan Public Service Commission

**ENCLOSURE 1  
to  
NRC-12-0020**

**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 reviews. The estimated remaining decommissioning cost in 2011 dollars, including \$150,000 per year for SAFSTOR maintenance with a contingency of 25%, and a 30% contingency for remaining cost, is \$19.1 million. The \$0.7 million being spent in early 2012 to return to passive SAFSTOR was included in the end of 2011 remaining cost estimate but will be paid directly by Detroit Edison in 2012 and will not be an escalated future cost. | \$19.1   |
| 2. | The market value of the Fermi 1 trust fund was approximately \$2.6 million as of December 31, 2011.   | ~\$2.6   |
| 3. | Amount fund is above (or below) estimated remaining costs.<br>A DTE Energy guarantee for \$20 million has been chosen as the assurance method for Fermi 1's shortfall. Detroit Edison is not collecting any additional amounts nor relying upon any contracts for the purpose of decommissioning funding assurance for Fermi 1.   | \$(16.5) |
| 4. | The total cost of Fermi 1 decommissioning activities through December 31, 2011 was \$83.6 million of which \$15.5 million was booked for 2011.  |          |
| 5. | The budget for work scheduled for 2011 was \$16.8M. The amount spent was \$15.5M, with \$0.7M expected to be spent in early 2012 to return the facility to passive SAFSTOR. Not all work scheduled and budgeted for 2011 was completed, these amounts are included in the estimated remaining cost of \$19.1 million in #1 above.   |          |
| 6. | The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning fund, and rates of other factors used in funding projections.<br><br>No assumptions were used due to the cost estimate being prepared in 2011. The adequacy of financial assurance will continue to be assessed annually based on actual inflation and earnings.  |          |
| 7. | Any modifications to the current method of providing financial assurance occurring since the last submitted report.   | None     |
| 8. | Any material changes to the trust agreement.  | None     |

**ENCLOSURE 2  
to  
NRC-12-0020**

**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**

**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>
<b>Enrico Fermi Atomic Power Plant Unit 1</b>	<b>6400 N. Dixie Hwy Newport, MI 48166</b>	<b>\$19,100,000</b>	<b>\$20,000,000</b>

This firm is required to file a Form 10-K with the U.S. Securities and Exchange Commission for the latest fiscal year 2011.

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, 2011.

**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 2011
  
4. Date of maturity of notes June 3, 2013

5\*. Tangible net worth\*\* \$4,960,000,000

6\*. Total assets in the United States \$25,981,000,000

	<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>	___

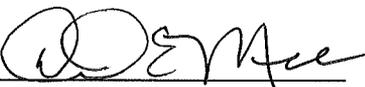
\* denotes figures derived from financial statements

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

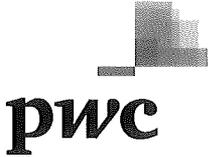
\*\*\* "BBB" and "Baa" are rating categories, not specific ratings, so DTE has interpreted the criteria to be that the ratings are within the BBB category or Baa category or better. DTE meets this standard.

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 26, 2012



## 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, 2011, 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, 2011, 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 26, 2012