

Eric Olson
Site Vice President

DTE Electric Company
6400 N. Dixie Highway, Newport, MI 48166
Tel: 734.586.5025 Fax: 734.586.5295
Email: eric.olson@dteenergy.com



March 31, 2021
NRC-21-0019

10 CFR 50.75

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555-0001

Fermi 2 Power Plant
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 DTE Electric Company's (DTE) decommissioning fund for Fermi 2.

Fermi 2 is an operating boiling water reactor with a licensed power of 3486 Megawatt Thermal (MWt). The Fermi 2 operating license expires in 2045.

The requested biennial decommissioning fund information for Fermi 2, reported in 2020 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.

No new commitments are being made in this submittal.

Should you have any questions or require additional information, please contact Ms. Margaret Offerle, Manager – Nuclear Licensing, at (734) 586-5076.

Sincerely,

A handwritten signature in black ink that reads "Eric Olson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Eric Olson
Site Vice President

USNRC
NRC-21-0019
Page 2

Enclosure: Decommissioning Funding Status Report for Fermi 2

cc: NRC Project Manager
NRC Resident Office
Reactor Projects Chief, Branch 5, Region III
Regional Administrator, Region III

**Enclosure to
NRC-21-0019**

**Fermi 2 NRC Docket No. 50-341
Operating License No. NPF-43**

Decommissioning Funding Status Report for Fermi 2

NRC DECOMMISSIONING FUNDING STATUS REPORT FERMI 2

A decommissioning funding status report is required in 10 CFR 50.75(f)(1). Each of the required items from 10 CFR 50.75(f)(1) is discussed below.

1. *The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c)*¹.

The current decommissioning fund estimate is \$1.15 billion. The labor, energy, and burial factors used in DTE Electric Company's calculation of the minimum requirement for decommissioning financial assurance for Fermi 2 are: Labor (L) – 2.89, Energy (E) – 2.28 and Waste Burial (B) – 28.73. The source of the factors is in accordance with the guidance in NUREG-1307 Rev 18. A conservative Waste Burial (B) factor is used to avoid future fund shortfalls.

2. *The amount of decommissioning funds accumulated at the end of the preceding calendar year.*

The post-tax decommissioning funds accumulated to the end of 2020 amount to \$1.73 billion.

3. *The schedule of the annual amounts remaining to be collected.*

The collections for Fermi 2 decommissioning are included in DTE Electric Company's rates. Currently, approximately \$3 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 and fuel monitoring in addition to nuclear decommissioning items included in 10 CFR 50.75 (b) and (c).

Currently, \$12 is being placed in the radiological nuclear decommissioning account per year as the trust presently contains adequate funding for radiological decommissioning. Most collections are being placed into other accounts.

As provided in items 1 and 2 above, the current amount accumulated for Fermi 2 decommissioning fully meets the minimum decommissioning fund estimate pursuant to 10 CFR 50.75 (b) and (c).

¹ 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.

4. *The assumptions used regarding rates of escalation in decommissioning cost, rates of earnings on decommissioning fund, and rates of other factors used in funding projection.*
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%. Michigan Public Service Commission (MPSC) Case No. U-20561 addresses these parameters used in establishing rates for funding of decommissioning costs.
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 since the last submitted report.*
None.
7. *Any material changes to the trust agreement.*
None.