

Keith J. Polson  
Site Vice President

DTE Energy Company  
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March 29, 2016  
NRC-16-0025

10 CFR 50.75(f)(1)  
10 CFR 50.82(a)(8)(v)

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)(v) on the status of DTE Electric Company'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 the SAFSTOR status and its possession-only license expires in 2025. At a future date, 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 2015 dollars, is provided in Enclosure 1 of this letter. The prepayment trust method and DTE Electric Company funding combined with a DTE Energy parent company guarantee is providing funding assurance. Documentation of the financial test for this guarantee is provided in Enclosure 2 of this letter.

The parent company guarantee requires providing the NRC with the DTE Energy Company 2015 Form 10-K Annual Report to the United States Securities and Exchange Commission. This report is available from the DTEEnergy.com web site.

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Should you have any questions or require additional information, please contact Daniel Breiding of my staff at (734) 586-1912.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith J. Polson", written in a cursive style.

Keith J. Polson  
Site Vice President

Enclosures: Decommissioning Funding Status Report  
DTE Energy Guarantee Financial Test

cc: NRC Project Manager (T. Smith)  
NRC Resident Office  
NRC Region III (P. Lee)  
NRC Regional Administrator, Region III  
Michigan Public Service Commission  
Regulated Energy Division (kindschl@michigan.gov)

**ENCLOSURE 1  
TO  
NRC-16-0025**

**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 2015 dollars, including \$150,000 per year for SAFSTOR maintenance (which assumes 15 years), with a contingency of 30% is approximately \$20.6 million. ~\$20.6
2. The market value of the Fermi 1 trust fund was approximately \$2.7 million as of December 31, 2015. There were minimal taxable gains on the Fermi 1 Trust fund in 2015, so the after tax value is the same as the fair market value. ~\$2.7
3. Amount fund is above (or below) estimated remaining costs. ~\$(17.9)  
A DTE Energy guarantee has been chosen as the assurance method for Fermi 1's shortfall. DTE Electric Company is not collecting any additional amounts nor relying upon any contracts for the purpose of decommissioning funding assurance for Fermi 1.
4. The total cost of Fermi 1 decommissioning activities and SAFSTOR maintenance through December 31, 2015 was \$85.2 million. This includes expenditure during initial decommissioning in 1970's. No money was spent on decommissioning activities in 2015.
5. The budget for SAFSTOR maintenance for 2015 was \$150,000. The amount spent for SAFSTOR maintenance was \$98,000.
6. 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 4.5% with earnings on decommissioning fund assumed to be equal to 0%.
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-16-0025**

**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**

**4 Pages**



**LETTER FROM Peter B. Oleksiak, CHIEF FINANCIAL OFFICER  
of DTE Energy Company, CORPORATE PARENT of DTE Electric 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 DTE Electric 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	<u>\$20,600,000</u>	<u>\$20,000,000</u>

This firm is required to file a Form 10K with the U.S. Securities and Exchange Commission for the latest fiscal year 2015.

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, 2015.

**FINANCIAL TEST: ALTERNATIVE II**

1. Decommissioning cost estimates or guaranteed amount for facility  
[license number DPR 9] \$20,600,000
2. Current notes rating of most recent unsecured issuance of this firm  
Rating BBB/A3  
  
Name of rating service Standard & Poor's / Moody's Investors Service
3. Date of issuance of notes June 2015
4. Date of maturity of notes June 15, 2022

5\*. Total net worth\*\* \$8,795,000,000

6\*. Tangible net worth\*\*\* \$6,683,000,000

7\*. Total assets in the United States \$28,712,000,000

	<u>Yes</u>	<u>No</u>
8. Is line 5 at least 6 times line 1?	<u>X</u>	___
9. Is line 6 at least \$21 million?	<u>X</u>	___
10. Are at least 90 percent of firm's assets located in the United States? If not, complete line 11.	<u>X</u>	___
11. Is line 7 at least 6 times line 1?	<u>X</u>	___
12. Is the rating specified on line 2 "BBB" or better (including adjustments of + and -) as issued by Standard & Poor's or "Baa" or better (including adjustments of 1,2 or 3) as issued by Moody's	<u>X</u>	___


\* Denotes figures derived from financial statements

\*\* Total net worth is defined as net worth minus net book value and goodwill of the Fermi 1 nuclear facility

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

I certify that the information is true and correct to the best of my knowledge

DTE Energy Company

By 

Peter B. Oleksiak

Senior Vice President and Chief Financial Officer, DTE Energy Company

Date: March 18, 2016



## Report of Independent Accountants

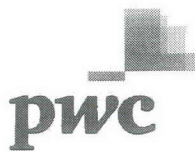
To DTE Electric Company:

We have performed the procedures enumerated below, which were agreed to by DTE Electric Company and the U.S. Nuclear Regulatory Commission ("NRC"), solely to assist you in DTE Electric Company's compliance with the NRC financial assurance regulations, 10 CFR Part 50, as of December 31, 2015, as detailed in the "Letter from Peter B. Oleksiak, Chief Financial Officer of DTE Energy Company, Corporate Parent of DTE Electric Company, Including Costs Estimates and Data from Audited Financial Statements" (the "Letter") to be provided to the NRC. DTE Electric 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 "Total net worth" per line 5 of the Letter to "Total Equity" as reflected in the audited consolidated financial statements of DTE Energy Company (the "Company") as of December 31, 2015, and found the amounts to be in agreement.
2. We compared the amount of "Tangible net worth" 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 reconciled the schedule to the audited consolidated financial statements of DTE Energy Company as of December 31, 2015.
3. We compared the amount of "Total assets in the United States" per line 7 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.
4. We inquired of the Chief Accounting Officer of DTE Energy Company as to whether any off-balance sheet transactions exist that could materially adversely affect the ability of DTE Energy Company to pay decommissioning costs. The Chief Accounting Officer responded that there are no significant off-balance sheet transactions that could materially adversely affect DTE Energy Company's ability to pay decommissioning costs.
5. We compared the bond ratings per line 2 of the Letter to information obtained as of March 16, 2016 from an external, publicly available source as follows:

Rating per Line 2 of the Letter	Rating per external source	External Source
BBB	BBB	<a href="http://www.standardandpoors.com">www.standardandpoors.com</a>
A3	A3	<a href="http://www.moodys.com">www.moodys.com</a>





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 DTE Electric 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.

*Priscilla A. Cooper, U.S.*  
March 18, 2016