

Detroit  
Edison

Wayne H. Jens  
Vice President  
Nuclear Operations

Fermi-2  
6400 North Dixie Highway  
Newport, Michigan 48166  
(313) 586-4150



Nuclear  
Operations

April 10, 1985  
NE-85-0472

Director of Nuclear Reactor Regulation  
Attention: Mr. B. J. Youngblood, Chief  
Licensing Branch No. 1  
Division of Licensing  
U. S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Mr. Youngblood:

- Reference: (1) Fermi 2  
NRC License No. NPF-33
- (2) NRC to Detroit Edison Letter, "Issuance of  
Facility Operating License NPF-33, Fermi 2",  
March 20, 1985

Subject: Indemnity Agreement No. B-20  
Secondary Financial Protection

As requested per Reference (2), please find enclosed an executed copy of Amendment No. 26 to the subject agreement. We are also enclosing a copy of our cash flow statement for Secondary Financial Protection under the Price-Anderson Act, which was originally submitted to Mr. Saltzman, Assistant Director of State and Licensee Relations on December 4, 1984. We propose that December 4, 1984 be considered the anniversary date for the submittal of all future statements. We will plan on submitting such statements annually on December 4, unless you or Mr. Saltzman indicate otherwise.

As you know, Wolverine Power Supply Cooperative, Inc., has an ownership interest in Fermi 2. Therefore, we are enclosing a copy of the April 29 and May 28, 1976, memorandums which constitutes Wolverine's response to the Secondary Financial Protection requirements as detailed under 10CFR140.21.

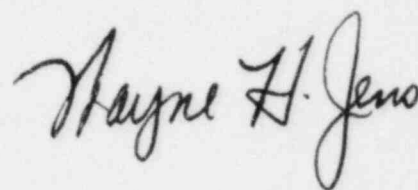
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Mr. B. J. Youngblood  
April 10, 1985  
NE-85-0472  
Page 2

Should you have any questions or comments on the enclosed material, please contact Mr. Keener Earle at (313) 586-4211.

Sincerely,

A handwritten signature in cursive script, reading "Wayne H. Jeno". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Attachment

cc: Mr. P. M. Byron  
Mr. M. D. Lynch  
Mr. J. D. Saltzman



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

Docket Nos. 50-16  
50-341

AMENDMENT TO INDEMNITY AGREEMENT NO. B-20  
AMENDMENT NO. 26

Effective March 20, 1985, Indemnity Agreement No. B-20, between The Detroit Edison Company, Wolverine Power Supply Cooperative, Inc. and the Atomic Energy Commission, dated March 26, 1962, as amended, is hereby further amended as follows:

Item 2a. of the Attachment to the indemnity agreement is deleted in its entirety and the following substituted therefor:

Item 2 - Amount of financial protection

- a. \$ 1,000,000 (From 12:01 a.m., January 25, 1961, to 12:00 midnight, July 10, 1963 inclusive)
- \$ 1,500,000 (From 12:01 a.m., July 11, 1963, to 12:00 midnight, December 16, 1965 inclusive)
- \$ 3,500,000 (From 12:01 a.m., December 17, 1965, to 12:00 midnight, March 21, 1966 inclusive)
- \$12,100,000 (From 12:01, March 22, 1966, to 12:00 midnight, July 5, 1966 inclusive)
- \$18,000,000 (From 12:01 a.m., July 6, 1966, to 12:00 midnight, August 6, 1967 inclusive)
- \$22,200,000 (From 12:01 a.m., August 7, 1967, to 12:00 midnight, October 8, 1970 inclusive)
- \$29,600,000 (From 12:01 a.m., October 9, 1970, to 12:00 midnight, October 15, 1970 inclusive)
- \$44,400,000 (From 12:01 a.m., October 16, 1970, to 12:00 midnight, December 31, 1972 inclusive)
- \$1,000,000 (From 12:01 a.m., January 1, 1973, to 12:00 midnight, March 19, 1985)

\$160,000,000\* (From 12:01 a.m., March 20, 1985)

Item 3 of the Attachment to the indemnity agreement is deleted in its entirety and the following substituted therefor:

Item 3 - License number or numbers

SNM-426 (From 12:01 a.m., January 25, 1961, to  
12:00 midnight, July 10, 1963  
inclusive)

DPR-9 (From 12:01 a.m., July 11, 1963)


SNM-1915 (From 12:01 a.m., May 31, 1983, to  
12:00 midnight  
inclusive)

NPF-33 (From 12:01 a.m., March 20, 1985 )

Item 5 of the Attachment to the indemnity agreement is amended by adding the following:

Nuclear Energy Liability Policy (Facility Form) No. MF-120, issued  
by Mutual Atomic Energy Liability Underwriters.

FOR THE UNITED STATES NUCLEAR REGULATORY COMMISSION

  
Jerome Saltzman, Assistant Director  
State and Licensee Relations  
Office of State Programs

Accepted March 25, 1985

By C.M. Heidel  
THE DETROIT EDISON COMPANY

Accepted March 27<sup>th</sup> 1985

By Raymond R. Luttrell  
WOLVERINE POWER SUPPLY  
COOPERATIVE

\* and, as of August 1, 1977, the amount available as secondary financial protection.

Wayne H. Jens  
Vice President  
Nuclear Operations

INSURANCE DEPARTMENT

DEC 7 - 1984

December 4, 1984  
EF2-72026

Fermi-2  
6400 North Dixie Highway  
Newport, Michigan 48166  
(313) 586-4150

Detroit  
Edison

Mr. Jerome Saltzman,  
Assistant Director  
State and Licensee Relations  
Office of State Programs  
U. S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Mr. Saltzman:

Reference: Fermi 2  
NRC Docket No. 50-341

Subject: Price-Anderson Act  
Guarantee of Retrospective Premiums

Enclosed for your review is a copy of Detroit Edison's cash flow statement to meet the requirements of 10 CFR 140.21. The statement was prepared in accordance with Regulatory Guide 9.4 and outlines the Company's financial obligation, as detailed under the Secondary Financial Protection of the Price-Anderson Act.

We will await the results of your review and should you have any questions, please contact Mr. Keener Earle at (313) 586-4211.

Sincerely,

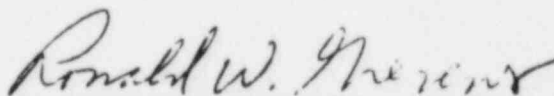
*Wayne H. Jens*

cc: Mr. P. M. Byron  
Mr. M. D. Lynch

CERTIFICATE

I, Ronald W. Gresens, Controller and Chief Accounting Officer of The Detroit Edison Company ("Company"), do hereby certify that the 1983 Actual financial data shown on the Company's 1984 Internal Cash Flow Projection is derived from the Company's consolidated financial statements for the year ended December 31, 1983 and that the 1984 Projection is the latest projection of the Company for the year ended December 31, 1984. The financial data is that of the Company only and does not include that of Wolverine Power Supply Cooperative, Inc. ("Cooperative"), a joint owner of Fermi-2. Under the ownership agreement, for Fermi-2, the percentage ownership interests of the Company and the Cooperative in Fermi-2 will change over time with the Company's interest increasing and the Cooperative's interest decreasing. The current ownership interests for the Company and the Cooperative are 80% and 20%, respectively.

Dated: November 28, 1984



Ronald W. Gresens, Controller  
The Detroit Edison Company

THE DETROIT EDISON COMPANY

1984 Internal Cash Flow Projection  
For Fermi-2 Nuclear Power Station  
(Thousands of Dollars)

|   | <u>1983</u><br><u>Actual</u> | <u>1984</u><br><u>Projection</u> |
|---|------------------------------|----------------------------------|
| Net Income After Taxes                                    | \$ 364,622                   | \$ 397,864                       |
| Less: Dividends   | (306,073)                    | (332,328)                        |
| Retained Earnings   | <u>\$ 58,549</u>             | <u>\$ 65,536</u>                 |
| Adjustments:  |                              |                                  |
| Depreciation  | \$ 171,940                   | \$ 190,640                       |
| Amortization of Property Losses                           | 10,449                       | 12,231                           |
| Deferred Income Taxes and<br>Investment Tax Credits       | 135,603                      | 130,971                          |
| Allowance for Funds Used<br>During Construction           | (287,152)                    | (293,819)                        |
| Total Adjustments   | <u>\$ 30,840</u>             | <u>\$ 40,023</u>                 |
| Internal Cash Flow  | <u>\$ 89,389</u>             | <u>\$ 105,559</u>                |
| Average Quarterly Cash Flow                               | <u>\$ 22,347</u>             | <u>\$ 26,390</u>                 |
| Percentage Ownership<br>in All Operating<br>Nuclear Units |                              | 0 (a)                            |
| Maximum Total<br>Contingent Liability                     |                              | 0 (a)                            |

(a) Fermi-2 is Detroit Edison's only nuclear unit and as of November 28, 1984 is not operating. The estimated earliest commercial operation date for Fermi-2 is June 1985.



UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION  
WASHINGTON, D.C. 20250

April 29, 1976

OFFICE OF THE ADMINISTRATOR

SUBJECT: Nuclear Regulatory Commission  
Call re Price-Anderson Act

TO: David A. Hamil  
Administrator

On this date Mr. Dinitz of NRC called me about the Price-Anderson Act. He said they had published a proposed rule on March 18 which might not have come to our attention. He said that in case of a major accident, there could be an assessment against a nuclear plant in the range of \$4 to \$5 million, and he wondered how this might affect our borrowers. He was aware that our borrowers at present have no more than a minority interest in any major plants.

In discussion I mentioned that in case of necessity REA has authority to make an operating loan to a borrower, and that an amount of \$5 million was not large in comparison to our annual loan program. He said that this backup would satisfy them with respect to the ability of an REA financed system to meet their assessment. He said he would send us a copy of their proposed rule for our comments, and it would be helpful for us to mention our authority to make an operating loan.

*David H. Askegaard*  
DAVID H. ASKEGAARD  
Deputy Administrator

*Del*  
*5/7/76*

cc:  
AAE  
AAA  
LARC  
PSMESD  
John Holt