



March 31, 2014

United States Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D. C. 20555-0001

Serial No. 14-117
NL&OS/TJS Rev 0
Docket No. 50-305
License No. DPR-43

DOMINION ENERGY KEWAUNEE, INC.
KEWAUNEE POWER STATION
DECOMMISSIONING FUNDING STATUS REPORT

Pursuant to 10 CFR 50.75(f)(1) and 50.82(a)(8)(v)-(vii), Dominion Energy Kewaunee, Inc. (DEK) is providing this report on the status of decommissioning funding for Kewaunee Power Station (KPS).

Attachment 1 provides the following information for KPS:

Table I - Decommissioning Funding Status Report for KPS; Summary Information as of December 31, 2013

Table II - Decommissioning Funding Status Report for KPS; Annual Cash Flow Analysis Starting January 1, 2014 through End of Decommissioning


The following information is provided in support and as part of this filing:

1. The escalation of decommissioning costs is held at 0% based on assuming a 2.0% Real Rate of Return.
2. The growth rate of Trust Funds is assumed at the allowed 2.0% Real Rate of Return over the escalation rate.
3. No rate regulatory authority citation for KPS is referenced because KPS is a merchant unit.
4. There are no contracts upon which DEK is relying under paragraph 10 CFR 50.75(e)(1)(v) and there were no modifications to the current method of providing financial assurance since the last submitted report. DEK interprets the language of 50.75(e)(1)(v) to report only instances where there is a contract or in instances where there is a change to the method of providing financial assurance.
5. There are no annual funding amounts for KPS.
6. Trust Fund amounts shown in this report are market value and after-tax on realized gains and losses. The Trust Fund balance has not been adjusted for unrealized gain or loss positions not currently taxable.
7. Since the previous submittal on March 28, 2013 (Serial No. 13-136, ADAMS Accession No. ML13098A087) for KPS there have been no material changes to trust agreements established for nuclear decommissioning of KPS.

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NRR

Please contact Mr. David A. Sommers at (804) 273-2823 if you have any questions or require additional information.

Sincerely,



David A. Heacock
President and Chief Nuclear Officer
Dominion Energy Kewaunee, Inc.

Attachments:

1. KPS Decommissioning Funding Status Report as of December 31, 2013

Commitments made in this letter: None

cc: Regional Administrator, Region III
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ATTACHMENT 1

DECOMMISSIONING FUNDING STATUS REPORT AS OF DECEMBER 31, 2013

Kewaunee Power Station
Decommissioning Funding Status Report as of December 31, 2013

Table I

Decommissioning Funding Status Report for KPS Summary Information as of December 31, 2013 10 CFR 50.82 (a)(8)(v)-(vii) (in millions)						
Decommissioning Trust Fund Balances				10 CFR Reference	50.82(a)(8)(v)(A)	50.82(a)(8)(vii)(A)
Fund Balance	Type of Trusts			Comments		
\$ 684.766	Qualified fund balance			As of:	12/31/2013	
\$ -	Non-qualified fund balance			As of:	12/31/2013	
\$ 35.422	Less costs incurred in 2013 but not yet billed to Trust			Actual Cost in:	2013 Dollars	
\$ 649.343	Adjusted decommissioning fund balance			As of:	12/31/2013	
Other Financial Assurance Methods Being Relied Upon				10 CFR Reference	50.82(a)(8)(v)(A)	
None						
Prior Years Decommissioning Expenditures				10 CFR Reference	50.82(a)(8)(v)(A)	
Total	License Term	Spent Fuel Mgmt	Site Restoration	Comments		
\$ 46.366	\$ 27.510	\$ 18.855	\$ -	Actual Cost in:	2013 Dollars	For 2013 only
\$ 0.175	\$ 0.170	\$ 0.006	\$ -	Actual Cost in:	2012 Dollars	Billed in 2013
\$ 46.541	\$ 27.680	\$ 18.861	\$ -	Total Prior Years	As spent dollars	
\$ 35.422	Less costs incurred in 2013 but not yet billed to Trust			Actual Cost in:	2013 Dollars	
Prior Year Decommissioning Expenditures Variance to Estimated Cost				10 CFR Reference	50.82(a)(8)(v)(B)	
Total	License Term	Spent Fuel Mgmt	Site Restoration	Comments		
\$ 46.366	\$ 27.510	\$ 18.855	\$ -	Actual Cost in	2013 Dollars	
\$ 38.266	\$ 27.077	\$ 11.189	\$ -	Estimated Cost in	2013 Dollars	
\$ 8.100	\$ 0.433	\$ 7.666	\$ -			
Variance: License Termination and Spent Fuel Management overruns due to overtime for Emergency Response & Security, insurance & corporate charges more than expected.						
Remaining Decommissioning Estimated Cost				10 CFR Reference	50.82(a)(8)(v)(B)	50.82(a)(8)(vii)(B)
Total	License Term	Spent Fuel Mgmt	Site Restoration	Comments		
\$ 837.992	\$ 524.670	\$ 277.217	\$ 36.104	Estimate in :	2014 Dollars	
Decommissioning Criteria Upon Which the Estimate is Based				10 CFR Reference	50.82(a)(8)(v)(B)	
SAFSTOR						
Any Modification To Method of Providing Financial Assurance				10 CFR Reference	50.82(a)(8)(v)(C)	
None						
Any Material Changes To Trust Agreement Since Previous Report				10 CFR Reference	50.82(a)(8)(v)(D)	
None						
Need For Additional Financial Assurance				10 CFR Reference	50.82(a)(8)(vi)	50.82(a)(8)(vii)(C)
None				See Annual Cash Flow Analysis in Table II		
Inputs to Remaining Cost and Funding Analysis						
2014	Start year of analysis					
1.85%	Escalate study dollars from 2012\$ to current year 2014\$ using an average of CPI rates for 2012 to 2014					
0.00%	Escalation rate (2014 & beyond)					
2.00%	Fund growth rate (2014 & beyond - Reflects NRC allowed 2% Real Rate of Return)					
Annual expenditures	Projected annual expenditures - see Annual Cash Flow Analysis in Table II					

Table II

Decommissioning Funding Status Report for KPS Annual Cash Flow Analysis Starting January 1, 2014 through End of Decommissioning 10 CFR 50.82 (a)(8)(v)-(vii) (In millions)							
Year	Column 1 Beginning of Year Balance	Column 2 Earnings on Trust Funds (Reflects 2% RRoR)	Column 3 Remaining License Termination Expenditures (Reflects 0% Esc)	Column 4 Remaining Spent Fuel Mgmt Expenditures (Reflects 0% Esc)	Column 5 Remaining Site Restoration Expenditures (Reflects 0% Esc)	Column 6 Remaining SAFSTOR Expenditures (Reflects 0% Esc)	Column 7 End of Year Balance
2014	\$ 649.343	\$ 11.890	\$ 75.304	\$ 34.360	\$ -	\$ 109.664	\$ 551.570
2015	\$ 551.570	\$ 10.679	\$ 4.653	\$ 30.588	\$ -	\$ 35.241	\$ 527.008
2016	\$ 527.008	\$ 10.183	\$ 6.278	\$ 29.453	\$ -	\$ 35.731	\$ 501.460
2017	\$ 501.460	\$ 9.800	\$ 15.469	\$ 7.401	\$ -	\$ 22.869	\$ 488.391
2018	\$ 488.391	\$ 9.694	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 490.700
2019	\$ 490.700	\$ 9.740	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 493.056
2020	\$ 493.056	\$ 9.787	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 495.458
2021	\$ 495.458	\$ 9.835	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 497.909
2022	\$ 497.909	\$ 9.884	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 500.409
2023	\$ 500.409	\$ 9.934	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 502.959
2024	\$ 502.959	\$ 9.985	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 505.559
2025	\$ 505.559	\$ 10.037	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 508.212
2026	\$ 508.212	\$ 10.090	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 510.918
2027	\$ 510.918	\$ 10.145	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 513.678
2028	\$ 513.678	\$ 10.200	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 516.493
2029	\$ 516.493	\$ 10.256	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 519.365
2030	\$ 519.365	\$ 10.313	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 522.294
2031	\$ 522.294	\$ 10.372	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 525.281
2032	\$ 525.281	\$ 10.432	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 528.328
2033	\$ 528.328	\$ 10.484	\$ 2.611	\$ 5.606	\$ -	\$ 8.218	\$ 530.595
2034	\$ 530.595	\$ 10.538	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 533.748
2035	\$ 533.748	\$ 10.601	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 536.965
2036	\$ 536.965	\$ 10.665	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 540.246
2037	\$ 540.246	\$ 10.731	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 543.592
2038	\$ 543.592	\$ 10.798	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 547.006
2039	\$ 547.006	\$ 10.866	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 550.488
2040	\$ 550.488	\$ 10.936	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 554.039
2041	\$ 554.039	\$ 11.007	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 557.661
2042	\$ 557.661	\$ 11.079	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 561.356
2043	\$ 561.356	\$ 11.153	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 565.125
2044	\$ 565.125	\$ 11.229	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 568.969
2045	\$ 568.969	\$ 11.306	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 572.890
2046	\$ 572.890	\$ 11.384	\$ 1.778	\$ 5.606	\$ -	\$ 7.385	\$ 576.889
2047	\$ 576.889	\$ 11.463	\$ 1.778	\$ 5.738	\$ -	\$ 7.517	\$ 580.835
2048	\$ 580.835	\$ 11.549	\$ 1.791	\$ 4.951	\$ -	\$ 6.742	\$ 585.643
2049	\$ 585.643	\$ 11.695	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 595.542
2050	\$ 595.542	\$ 11.893	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 605.640
2051	\$ 605.640	\$ 12.095	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 615.939
2052	\$ 615.939	\$ 12.301	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 626.444
2053	\$ 626.444	\$ 12.511	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 637.160
2054	\$ 637.160	\$ 12.725	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 648.090
2055	\$ 648.090	\$ 12.944	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 659.238
2056	\$ 659.238	\$ 13.167	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 670.609
2057	\$ 670.609	\$ 13.394	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 682.208
2058	\$ 682.208	\$ 13.626	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 694.039
2059	\$ 694.039	\$ 13.863	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 706.106
2060	\$ 706.106	\$ 14.104	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 718.415
2061	\$ 718.415	\$ 14.350	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 730.970
2062	\$ 730.970	\$ 14.601	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 743.776
2063	\$ 743.776	\$ 14.858	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 756.838
2064	\$ 756.838	\$ 15.119	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 770.161
2065	\$ 770.161	\$ 15.385	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 783.751
2066	\$ 783.751	\$ 15.657	\$ 1.795	\$ -	\$ -	\$ 1.795	\$ 797.613
2067	\$ 797.613	\$ 15.821	\$ 13.172	\$ -	\$ -	\$ 13.172	\$ 800.262
2068	\$ 800.262	\$ 15.768	\$ 23.702	\$ -	\$ -	\$ 23.702	\$ 792.328
2069	\$ 792.328	\$ 15.387	\$ 45.968	\$ -	\$ -	\$ 45.968	\$ 761.746
2070	\$ 761.746	\$ 14.184	\$ 105.048	\$ -	\$ -	\$ 105.048	\$ 670.883
2071	\$ 670.883	\$ 12.459	\$ 95.862	\$ -	\$ -	\$ 95.862	\$ 587.481
2072	\$ 587.481	\$ 11.126	\$ 50.806	\$ -	\$ 11.576	\$ 62.382	\$ 536.224
2073	\$ 536.224	\$ 10.457	\$ 0.113	\$ 2.149	\$ 24.528	\$ 26.791	\$ 519.890
2074	\$ 519.890	\$ 10.398	\$ -	\$ -	\$ -	\$ -	\$ 530.288
2075	\$ 530.288	\$ 10.606	\$ -	\$ -	\$ -	\$ -	\$ 540.893
Remaining Expenditures (in 2014 \$)			\$ 524.670	\$ 277.217	\$ 36.104	\$ 837.992	
Estimated Fund Balance - end of Decommissioning (in Future \$ escalated at 0.0% & 2.0% Real Rate of Return Fund Growth Rate)							\$ 519.890
Estimated Fund Balance - end of Decommissioning (Discounted to 2014 \$)					Discount Rate = 2.00%		\$ 161.622

Table II Definitions:

Column 1: Beginning of Year Balance

Reflects the beginning-of-year Trust Fund balance at a 0.0% cost escalation rate and 2.0% Real Rate of Return (RRoR) on fund growth.

Column 2: Earnings on Trust Funds

Reflects earnings on funds remaining in the trust. A 2.0% RRoR Fund growth rate is used for 2014 through 2073 which reflects the allowed 2.0% RRoR over a 0.0% cost escalation rate. The annual 2.0% RRoR earnings are calculated on the beginning balance plus 50% of the projected annual expenditure for each year.

Column 3: Remaining License Termination Expenditures

Reflects the annual License Termination Plan cost portion at a 0.0% escalation rate from the Site Specific Cost Estimate.

Column 4: Remaining Spent Fuel Management Expenditures

Reflects the annual Irradiated Fuel Management Plan cost portion at a 0.0% escalation rate from the Site Specific Cost Estimate. This column is intended to provide the report on the status of funding for managing irradiated fuel required by 10 CFR 50.82(a) (8) (vii).

Column 5: Remaining Site Restoration Expenditures

Reflects the annual Site Restoration Plan cost portion at a 0.0% escalation rate from the Site Specific Cost Estimate.

Column 6: Remaining SAFSTOR Expenditures

Reflects the annual SAFSTOR Decommissioning Plan cost at a 0.0% escalation rate from the Site Specific Cost Estimate.

Column 7: End of Year Balance

Reflects the end of year Trust Fund Balance after all projected earnings are added and all projected expenditures are deducted for the year specified at a 0.0% escalation rate and 2.0% RRoR on fund growth.

Table I and II General Notes:

1. The cost estimates contained in Tables I and II are obtained from revised site-specific cost and schedule tables. This information will be provided in an update to the KPS Post-Shutdown Decommissioning Activities Report (DEK Submittal Letter No. 14-116).
2. The Trust Fund balance reflects market value on December 31, 2013, net of taxes on realized gains and losses.
3. The 2.0% RRoR is based on the rate allowed by 10 CFR 50.75(e)(1)(i) and 10 CFR 50.82(a)(8)(vi) and not on any order of a rate setting authority.
4. The funding method for providing financial assurance for decommissioning KPS remains prepayment. This cash flow analysis demonstrates that the amounts accumulated in the Trust are sufficient, with credited earnings at a 2.0% RRoR, to cover the estimated cost of radiological decommissioning, irradiated fuel management and site restoration. This analysis will also be provided in an update to the KPS Irradiated Fuel Management Plan pursuant to 10 CFR 50.54(bb) (DEK Submittal Letter No. 14-115).
5. Items addressed under 10 CFR 50.75(f)(1) are not repeated.

6. DEK has in place a parent Support Agreement in the amount of \$60 million for the purposes of supplementing DEK in the event: 1) of an operational event lasting six months or more or 2) for decommissioning of the plant. Unless terminated with the approval of the NRC, the Support Agreement would remain in place and provide additional financial assurance for decommissioning and irradiated fuel management.
7. The cash flow analysis in Table II shows that the funds accumulated in the Trust are sufficient, with credited earnings at a 2% real rate of return, to cover the estimated cost of radiological decommissioning, irradiated fuel management and site restoration. Approval to use the Trust for irradiated spent fuel management purposes has not yet been obtained.