

Dominion Energy Kewaunee, Inc.
5000 Dominion Boulevard, Glen Allen, VA 23060

Web Address: www.dom.com

March 31, 2017



Dominion[®]

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

Serial No. 17-080
NRA/TJS Rev. 0
Docket No. 50-305
License No. DPR-43

DOMINION ENERGY KEWAUNEE, INC.
KEWAUNEE POWER STATION
DECOMMISSIONING FUNDING STATUS REPORT, FINANCIAL TEST AND
INDEPENDENT PUBLIC ACCOUNTANTS' LETTER OF ATTESTATION

Pursuant to 10 CFR 50.75(f)(1) and 10 CFR 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).

Enclosure 1 provides the following information for KPS:

- Table I - Decommissioning Funding Status Report for KPS
Summary Information as of December 31, 2016
- Table II - Decommissioning Funding Status Report for KPS
Annual Cash Flow Analysis Starting January 1, 2017 through
End of Decommissioning

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

1. The escalation of decommissioning costs from the Cost Study's 2012 dollars to 2017 dollars is 1.56% and is based upon the average of CPI-U rates for that period. The mnemonics are "FCPIU.US, CPI: Urban Consumer - All Items (Index, 1982-84=100, SA)."
2. The escalation of decommissioning costs, shown in Table II is held at 0.0% based on assuming a 2.0% Real Rate of Return.
3. The growth rate on Trust Funds is held at the allowed 2.0% Real Rate of Return over the escalation rate.
4. No rate regulatory authority citation for KPS is referenced because KPS is a merchant unit.
5. 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.
6. There are no annual funding amounts for KPS.
7. Trust Fund balances shown in this report are market value and after-tax on realized gains and losses. The Trust Fund balances have not been adjusted for unrealized gain or loss positions not currently taxable.
8. Since the previous annual submittal on March 24, 2016 (Serial No. 16-106, ADAMS Accession No. ML16088A089) there have been no changes to the Trust agreements established for nuclear decommissioning for KPS.

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9. Remaining Decommissioning Estimated Cost is adjusted to reflect timing differences and higher costs during plant dormancy.

Additionally, in a submittal dated January 28, 2015 (Serial No. 15-001, ADAMS Accession No. ML 15034A312), Dominion Resources, Inc. (DRI) committed to provide ongoing information pertaining to its continuing ability to provide additional financial assurance by submitting, by March 31 of each year in connection with DEK's annual financial assurance status report; (1) information demonstrating the results of the financial test in either Paragraph II.A.1 or Paragraph II.A.2 of Appendix A to 10 CFR Part 30 for the immediately preceding calendar year, and; (2) a letter from its independent certified public accountant attesting to the data and accuracy of the financial test¹. This information is included in Attachments 1 and 2, respectively.

Please contact Mr. Craig D. Sly at (804) 273-2784 if you have any questions or require additional information.

Sincerely,



D. G. Stoddard
Senior Vice President and Chief Nuclear Officer
Dominion Energy Kewaunee, Inc.

Enclosure:

1. Decommissioning Funding Status Report for KPS Summary Information as of December 31, 2016

Attachments:

1. Financial Test for Year Ended December 31, 2016, Paragraph II.A.2 of Appendix A to 10 CFR Part 30
2. Deloitte & Touche LLP Attesting Letter of Accuracy of the Financial Test

Commitments made in this letter: None

cc: U. S. Nuclear Regulatory Commission
Region III
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Mr. T. H. Carter
NRC Senior Project Manager (KPS)
U. S. Nuclear Regulatory Commission, Mail Stop T-8 F5
Two White Flint North
11545 Rockville Pike
Rockville, MD 20852-2738

¹DEK is aware that the American Institute of Certified Public Accountants (AICPA) has informed the NRC that certified public accountants are precluded from issuing any form of report or assurance on matters related to solvency. (See ADAMS Accession No. ML 13094A316.)

Enclosure 1

Decommissioning Funding Status Report for KPS
Summary Information as of December 31, 2016

Kewaunee Power Station
Dominion Energy Kewaunee, Inc. (DEK)

**Kewaunee Power Station
 Decommissioning Funding Status Report as of December 31, 2016
 Table I**

Decommissioning Funding Status Report for KPS Summary Information as of December 31, 2016 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		
\$ 686.065	Qualified fund balance			As of:	12/31/2016	
\$ -	Non-qualified fund balance			As of:	12/31/2016	
\$ 95.543	Less costs incurred prior years but not yet billed to Trust			Actual Cost in:	As Spent	Dollars
\$ 590.522	Adjusted decommissioning fund balance			As of:	12/31/2016	
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		
\$ 36.138	\$ 11.798	\$ 24.340	\$ -	2016 Cost in: 2016 Dollars		
\$ 167.160	\$ 81.844	\$ 85.316	\$ -	2012-2015 Cost in: As Spent Dollars		
\$ 203.298	\$ 93.642	\$ 109.656	\$ -	Total Prior Year in: As Spent Dollars		
Prior Year Expenditures - Variance to Estimated Escalated Cost				10 CFR Reference	50.82(a)(8)(v)(B)	
Total	License Term	Spent Fuel Mgmt	Site Restoration	Comments		
\$ 36.138	\$ 11.798	\$ 24.340	\$ -	Actual Cost in: 2016 Dollars		
\$ 36.638	\$ 6.437	\$ 30.201	\$ -	NRC Auth. \$ in 2016 Dollars		
\$ (0.500)	\$ 5.361	\$ (5.861)	\$ -			
Variance: License Termination and Spent Fuel Management due to timing of activities						
Remaining Decommissioning Estimated Cost ⁽¹⁾				10 CFR Reference	50.82(a)(8)(v)(B)	50.82(a)(8)(vii)(B)
Total ⁽²⁾	License Term	Spent Fuel Mgmt	Site Restoration	Comments		
\$ 846.464	\$ 453.622	\$ 355.246	\$ 37.597	Estimate in : 2017 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						
2017	Start year of analysis					
1.56%	Escalate study dollars from 2012\$ to Start Year of Analysis using CPI average (2012 to Start Year of Analysis)					
0.00%	Escalation rate 2017 & beyond					
2.00%	Fund growth rate 2017 & beyond (Reflects NRC allowed 2% Real Rate of Return)					
Annual expenditures	Projected annual expenditures - see Annual Cash Flow Analysis in Table II					
(1) Remaining Decommissioning Estimated Cost is adjusted to reflect timing differences and higher costs during plant dormancy.						
(2) Differences are due to rounding.						

Kewaunee Power Station
Decommissioning Funding Status Report as of December 31, 2016
Table II

Decommissioning Funding Status Report for KPS Annual Cash Flow Analysis Starting January 1, 2017 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
2017	\$ 590.522	\$ 11.308	\$ 8.813	\$ 41.440	\$ -	\$ 50.254	\$ 551.576
2018	\$ 551.576	\$ 10.838	\$ 4.045	\$ 15.268	\$ -	\$ 19.313	\$ 543.102
2019	\$ 543.102	\$ 10.731	\$ 2.214	\$ 10.922	\$ -	\$ 13.136	\$ 540.697
2020	\$ 540.697	\$ 10.689	\$ 2.010	\$ 10.442	\$ -	\$ 12.452	\$ 538.934
2021	\$ 538.934	\$ 10.655	\$ 1.995	\$ 10.354	\$ -	\$ 12.348	\$ 537.241
2022	\$ 537.241	\$ 10.621	\$ 1.995	\$ 10.354	\$ -	\$ 12.348	\$ 535.514
2023	\$ 535.514	\$ 10.587	\$ 1.995	\$ 10.354	\$ -	\$ 12.348	\$ 533.753
2024	\$ 533.753	\$ 10.552	\$ 1.995	\$ 10.354	\$ -	\$ 12.348	\$ 531.956
2025	\$ 531.956	\$ 10.516	\$ 1.995	\$ 10.354	\$ -	\$ 12.348	\$ 530.124
2026	\$ 530.124	\$ 10.486	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 529.012
2027	\$ 529.012	\$ 10.464	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 527.878
2028	\$ 527.878	\$ 10.442	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 526.721
2029	\$ 526.721	\$ 10.418	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 525.541
2030	\$ 525.541	\$ 10.395	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 524.338
2031	\$ 524.338	\$ 10.371	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 523.111
2032	\$ 523.111	\$ 10.346	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 521.858
2033	\$ 521.858	\$ 10.313	\$ 2.698	\$ 9.703	\$ -	\$ 12.401	\$ 519.770
2034	\$ 519.770	\$ 10.279	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 518.451
2035	\$ 518.451	\$ 10.253	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 517.106
2036	\$ 517.106	\$ 10.226	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 515.734
2037	\$ 515.734	\$ 10.199	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 514.334
2038	\$ 514.334	\$ 10.171	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 512.907
2039	\$ 512.907	\$ 10.142	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 511.451
2040	\$ 511.451	\$ 10.113	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 509.965
2041	\$ 509.965	\$ 10.083	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 508.450
2042	\$ 508.450	\$ 10.053	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 506.905
2043	\$ 506.905	\$ 10.022	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 505.329
2044	\$ 505.329	\$ 9.991	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 503.721
2045	\$ 503.721	\$ 9.958	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 502.081
2046	\$ 502.081	\$ 9.926	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 500.409
2047	\$ 500.409	\$ 9.892	\$ 1.895	\$ 9.703	\$ -	\$ 11.598	\$ 498.703
2048	\$ 498.703	\$ 9.858	\$ 1.907	\$ 9.703	\$ -	\$ 11.610	\$ 496.951
2049	\$ 496.951	\$ 9.920	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 505.001
2050	\$ 505.001	\$ 10.081	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 513.213
2051	\$ 513.213	\$ 10.246	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 521.589
2052	\$ 521.589	\$ 10.413	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 530.132
2053	\$ 530.132	\$ 10.584	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 538.847
2054	\$ 538.847	\$ 10.758	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 547.735
2055	\$ 547.735	\$ 10.936	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 556.802
2056	\$ 556.802	\$ 11.117	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 566.049
2057	\$ 566.049	\$ 11.302	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 575.482
2058	\$ 575.482	\$ 11.491	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 585.103
2059	\$ 585.103	\$ 11.683	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 594.917
2060	\$ 594.917	\$ 11.880	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 604.927
2061	\$ 604.927	\$ 12.080	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 615.137
2062	\$ 615.137	\$ 12.284	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 625.551
2063	\$ 625.551	\$ 12.492	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 636.174
2064	\$ 636.174	\$ 12.705	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 647.009
2065	\$ 647.009	\$ 12.921	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 658.061
2066	\$ 658.061	\$ 13.143	\$ 1.870	\$ -	\$ -	\$ 1.870	\$ 669.334
2067	\$ 669.334	\$ 13.250	\$ 13.716	\$ -	\$ -	\$ 13.716	\$ 668.867
2068	\$ 668.867	\$ 13.131	\$ 24.682	\$ -	\$ -	\$ 24.682	\$ 657.316
2069	\$ 657.316	\$ 12.668	\$ 47.869	\$ -	\$ -	\$ 47.869	\$ 622.115
2070	\$ 622.115	\$ 11.348	\$ 109.390	\$ -	\$ -	\$ 109.390	\$ 524.073
2071	\$ 524.073	\$ 9.483	\$ 99.824	\$ -	\$ -	\$ 99.824	\$ 433.733
2072	\$ 433.733	\$ 8.025	\$ 52.907	\$ -	\$ 12.054	\$ 64.961	\$ 376.797
2073	\$ 376.797	\$ 7.257	\$ 0.118	\$ 2.238	\$ 25.542	\$ 27.898	\$ 356.155
Remaining \$ in	2017	Dollars	\$ 453.622	\$ 355.246	\$ 37.597	\$ 846.464	
Est. Fund Balance (end of Decommissioning) (in Future \$ escalated at 0.0% & 2.0% Real Rate of Return Fund Growth Rate)							\$ 356.155
Est. Fund Balance (end of Decommissioning) discount to 2017 Dollars							\$ 117.498
Discount Rate = 2.00%							

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 a 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 2017 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 less 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 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 Estimate. This column provides information related to funding for managing irradiated fuel as 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 Estimate.
- Column 6: Remaining SAFSTOR Expenditures:**
Reflects the annual SAFSTOR Decommissioning Plan cost at a 0.0% escalation rate from the Site Specific 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 a 2.0% RRoR on fund growth.

Tables I and II General Notes: (Any minor differences in totals are due to rounding.)

- 1) The cost estimates contained in Tables I and II are obtained from revised site-specific cost and schedule tables that were provided in an update to the KPS Post-Shutdown Decommissioning Activities Report (Serial No. 14-116, ADAMS Accession No. ML 14118A382) dated April 25, 2014. Further revisions are made with this filing to reflect timing differences and higher costs during plant dormancy.
- 2) The Trust Fund Balance reflects market value on December 31, 2016, 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 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, spent fuel management and site restoration.
- 5) By letter dated January 28, 2015 (ADAMS Accession No. ML 15034A312) DEK submitted a Commitment for Parent Company Guarantee (PCG) and Notice of Request to Discontinue Existing Parent Support Agreement (PSA) from Dominion Resources, Inc. (DRI). The PCG provides additional assurance to address any potential shortfalls in decommissioning funding assurance for KPS, up to \$60 million. By letter dated December 14, 2015 (ADAMS Accession No. ML 15344A503), the NRC notified DEK that it has no objection to the cancellation of the \$60 million PSA, issued by DRI, for KPS.
- 6) The cash flow analysis in Table II shows that the funds accumulated in the Trust are sufficient; with credited earnings at a 2.0% real rate of return, to cover the estimated cost of radiological decommissioning, spent fuel management and site restoration. On May 21, 2014 (ADAMS Accession No. ML 13337A287), the NRC granted DEK an exemption allowing the Trust to be used for spent fuel management costs.

Attachment 1

Financial Test for Year Ended December 31, 2016
Paragraph II.A.2 of Appendix A to 10 CFR Part 30

Kewaunee Power Station
Dominion Energy Kewaunee, Inc. (DEK)

James R. Chapman
Senior Vice President - Mergers & Acquisitions and Treasurer



Dominion Resources, Inc.
120 Tredegar Street, Richmond, VA 23219
dom.com

March 27, 2017

FINANCIAL TEST FOR YEAR ENDED DECEMBER 31, 2016

Paragraph II. A.2 of Appendix A to 10 CFR Part 30

- A. Maximum Guarantee Amount for Facility License No. DPR-43: \$60 million
- B. Dominion Resources Inc. issued \$400,000,000 of 2 year unsecured senior notes and \$400,000,000 of 5 year unsecured senior notes on January 12, 2017. The issuances were rated BBB by Standard and Poor's and Baa2 by Moody's at the time of settlement and maintain these ratings today.
- C. DRI's tangible net worth (millions of dollars):

Total Equity		\$16,840
Less:	Net Book Value of the Nuclear Facility and Site (KPS)	-
	Goodwill of the Nuclear Facility and Site (KPS)	-
(i) Total Net Worth		<u>\$16,840</u>
Less:	Goodwill	6,399
	Intangible Assets	<u>618</u>
(ii) Tangible Net Worth		<u>\$ 9,823</u>
	DRI Total Assets	\$ 71,610
	Less: Foreign Assets	<u> -</u>
	Total US Assets	<u>\$ 71,610</u>

FINANCIAL TESTS	YES	NO
1. Is line C (ii) at least \$21 Million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Is line C (i) at least 6 times the guarantee amount of \$60 million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. a. Are at least 90 percent of the firm's assets located in the U.S.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
or,		
b. Is line C (i) at least 6 times the guarantee amount of \$60 million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

4. a. Are bond ratings BBB (including +/- adjustments) or above as issued by Standard and Poor's or,
- b. Are bond ratings Baa (including +/- adjustments) or above as issued by Moody's

I hereby certify that the content of this Financial Test: Paragraph II.A.2 of Appendix A to 10 CFR Part 30 is true and correct to the best of my knowledge.



Senior Vice President Mergers & Acquisitions and Treasurer,
Dominion Resources, Inc.

Attachment 2

Deloitte & Touche LLP
Attesting Letter of Accuracy of the Financial Test

Kewaunee Power Station
Dominion Energy Kewaunee, Inc. (DEK)

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Dominion Resources, Inc.
Richmond, Virginia

We have performed the procedures enumerated below, which were agreed to by Dominion Resources, Inc. ("Dominion" or the "Company"), as parent company of Dominion Energy Kewaunee, Inc., licensed operator of the Kewaunee Power Station, solely to assist the Company and the U.S. Nuclear Regulatory Commission in evaluating the information in the Company's financial test for the year ended December 31, 2016, as required by Appendix A, Part 30 of Title 10 of the United States Code of Federal Regulations, included in the accompanying Attachment 1 (the "Financial Test") to the financial assurance letter dated March 27, 2017 from James Chapman, Senior Vice President Mergers & Acquisitions and Treasurer of Dominion Resources, Inc. to the U.S. Nuclear Regulatory Commission (the "Financial Assurance Letter"). Dominion's management is responsible for the Financial Test. 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.

The procedures that we performed and related findings are as follows:

1. We compared the bond rating in Attachment 1 to the Company's Financial Assurance Letter to third-party sources, noting no differences.
2. We compared amounts identified as "Total Equity", "Goodwill", "Intangible Assets", and "DRI Total Assets" in Attachment 1 to the Company's Financial Assurance Letter to the Company's audited consolidated financial statements as of December 31, 2016, on which we have issued our report dated February 28, 2017, noting no differences.
3. We compared amounts identified as "Net Book Value of the Nuclear Facility and Site (KPS)", "Goodwill of the Nuclear Facility and Site (KPS)", and "Foreign Assets" in Attachment 1 to the Company's Financial Assurance Letter to the corresponding amounts in a schedule prepared by the Company. We agreed the total per the schedule to the Company's audited consolidated financial statements as of December 31, 2016, on which we have issued our report dated February 28, 2017, noting no differences.

4. We recomputed the mathematical accuracy of the amounts identified as "Total Net Worth", "Tangible Net Worth", and "Total US Assets" in Attachment 1 to the Company's Financial Assurance Letter, noting no differences.

With respect to procedures outlined in Paragraph II.B of Appendix A, Part 30 of Title 10 of the United States Code of Federal Regulations, professional standards preclude us from providing any form of report or assurance on matters relating to solvency. Accordingly, no such form of report or assurance is provided.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the Financial Test. 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 board of directors and management of the Company and Dominion Energy Kewaunee, Inc., 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.

Deloitte & Touche LLP

March 31, 2017