

BSRR Summary

Components Subject to Recovery

Amortization of Retirement Costs	\$206,254,422.65
WACC Carrying Charges	<u>188,717,129.89</u>
Total Costs to Recover	<u>\$394,971,552.54</u>

Annual Revenue --> Total Costs / 25 years \$15,798,862.10

Jurisdictional Factor 0.986

Jurisdictional Revenue Requirement \$15,577,678.03

## Big Sandy Retirement Cost Summary

Components Subject to WACC Return:	Estimated June 30,		
	2015 Balance	Future Costs	Total
NBV:	\$201,911,435.45	\$0.00	\$201,911,435.45
Original Cost	\$460,030,669.85	\$0.00	\$460,030,669.85
Accumulated Depreciation	(\$263,500,120.40)	\$0.00	(\$263,500,120.40)
CWIP to transfer to OC	\$1,607,100.00	\$0.00	\$1,607,100.00
RWIP to transfer to AD	\$3,773,786.00	\$0.00	\$3,773,786.00
Unusable M&S	\$4,342,987.20	\$0.00	\$4,342,987.20
Removal Costs and Salvage	\$0.00		
Unit 2 Ongoing Misc. Exp.	\$0.00		
ARO Cash Flow			
Retirement Costs	\$206,254,422.65	\$0.00	\$206,254,422.65
ADIT*	(\$72,189,047.93)	72,189,047.93	(\$0.00)
Components Subject to WACC	\$134,065,374.72	\$72,189,047.93	\$206,254,422.65

### Future Cost by Year

\* ADIT calculated as Retirement Costs \* 35%.

\*\* ADIT calculated as net change in Regulatory Asset \* 35%

WACC Calculation - Yearly Summary

WACC 9.0800%

Year	Bg	Additions	Payments	CC	Calculated Change in RA	ADIT on RA	Ending
1	\$134,065,374.72		(15,798,862.10)	12,073,431.23	(\$3,725,430.87)	1,303,900.81	\$131,643,844.66
2	\$131,643,844.66		(15,798,862.10)	11,847,509.90	(\$3,951,352.20)	1,382,973.27	\$129,075,465.73
3	\$129,075,465.73		(15,798,862.10)	11,607,888.02	(\$4,190,974.08)	1,466,840.93	\$126,351,332.58
4	\$126,351,332.58		(15,798,862.10)	11,353,734.75	(\$4,445,127.35)	1,555,794.57	\$123,461,999.80
5	\$123,461,999.80		(15,798,862.10)	11,084,168.87	(\$4,714,693.23)	1,650,142.63	\$120,397,449.20
6	\$120,397,449.20		(15,798,862.10)	10,798,255.70	(\$5,000,606.41)	1,750,212.24	\$117,147,055.04
7	\$117,147,055.04		(15,798,862.10)	10,495,003.89	(\$5,303,858.21)	1,856,350.37	\$113,699,547.20
8	\$113,699,547.20		(15,798,862.10)	10,173,361.98	(\$5,625,500.12)	1,968,925.04	\$110,042,972.12
9	\$110,042,972.12		(15,798,862.10)	9,832,214.74	(\$5,966,647.36)	2,088,326.58	\$106,164,651.33
10	\$106,164,651.33		(15,798,862.10)	9,470,379.31	(\$6,328,482.80)	2,214,968.98	\$102,051,137.52
11	\$102,051,137.52		(15,798,862.10)	9,086,601.08	(\$6,712,261.02)	2,349,291.36	\$97,688,167.85
12	\$97,688,167.85		(15,798,862.10)	8,679,549.39	(\$7,119,312.71)	2,491,759.45	\$93,060,614.59
13	\$93,060,614.59		(15,798,862.10)	8,247,812.87	(\$7,551,049.24)	2,642,867.23	\$88,152,432.59
14	\$88,152,432.59		(15,798,862.10)	7,789,894.54	(\$8,008,967.56)	2,803,138.65	\$82,946,603.67
15	\$82,946,603.67		(15,798,862.10)	7,304,206.67	(\$8,494,655.44)	2,973,129.40	\$77,425,077.64
16	\$77,425,077.64		(15,798,862.10)	6,789,065.22	(\$9,009,796.88)	3,153,428.91	\$71,568,709.67
17	\$71,568,709.67		(15,798,862.10)	6,242,684.05	(\$9,556,178.05)	3,344,662.32	\$65,357,193.93
18	\$65,357,193.93	-	(15,798,862.10)	5,663,168.68	(\$10,135,693.42)	3,547,492.70	\$58,768,993.21
19	\$58,768,993.21	-	(15,798,862.10)	5,048,509.76	(\$10,750,352.34)	3,762,623.32	\$51,781,264.19
20	\$51,781,264.19	-	(15,798,862.10)	4,396,576.07	(\$11,402,286.03)	3,990,800.11	\$44,369,778.27
21	\$44,369,778.27	-	(15,798,862.10)	3,705,107.17	(\$12,093,754.93)	4,232,814.23	\$36,508,837.56
22	\$36,508,837.56	-	(15,798,862.10)	2,971,705.51	(\$12,827,156.59)	4,489,504.81	\$28,171,185.78
23	\$28,171,185.78	-	(15,798,862.10)	2,193,828.17	(\$13,605,033.93)	4,761,761.88	\$19,327,913.72
24	\$19,327,913.72	-	(15,798,862.10)	1,368,778.01	(\$14,430,084.10)	5,050,529.43	\$9,948,359.06
25	\$9,948,359.06	-	(15,798,862.10)	493,694.32	(\$15,305,167.78)	5,356,808.72	\$0.00
			\$394,971,552.54	188,717,129.89		72,189,047.93	