

**Kentucky Power Company**  
**September 2014 ARO Depreciation Expense Annualized**

Utility Account	Plant/Function	ARO Description	Cost @ Sept 2014
31700 - ARO Steam Production Plant	1-Big Sandy	ARO Big Sandy U0 Asbestos	\$277,141.44
31700 - ARO Steam Production Plant	1-Big Sandy	ARO Big Sandy U1 Asbestos	\$1,616,125.87
31700 - ARO Steam Production Plant	1-Big Sandy	ARO Big Sandy U2 Asbestos	<u>\$1,721,296.04</u>
31700 - ARO Steam Production Plant	1-Big Sandy	ASH#1 Big Sandy Ash Pond	\$42,577,812.63
	<b>1-Big Sandy Total</b>		<b>\$46,192,375.98</b>
31700 - ARO Steam Production Plant	2-Mitchell	ARO Mitchell U0 Asbestos	\$372,406.99
31700 - ARO Steam Production Plant	2-Mitchell	ARO Mitchell U1 Asbestos	\$1,818,650.05
31700 - ARO Steam Production Plant	2-Mitchell	ARO#1 Connor Run Ash Pond	\$10,465,138.90
31700 - ARO Steam Production Plant	2-Mitchell	ARO#1 Mitchell Ash Pond	\$137,925.80
	<b>2-Mitchell Total</b>		<b>\$12,794,121.74</b>
39919 - ARO General Plant	3-General Plant	ARO Pikeville Service Center	\$81,054.35
	<b>3-General Plant Total</b>		<b><u>\$81,054.35</u></b>
	<b>Grand Total</b>		<b><u>\$59,067,552.07</u></b>

**ARO depr. to include in cost of service**

31700 - ARO Steam Production Plant	1-Big Sandy	ARO Big Sandy U0 Asbestos	\$277,141.44
31700 - ARO Steam Production Plant	1-Big Sandy	ARO Big Sandy U1 Asbestos	\$1,616,125.87
31700 - ARO Steam Production Plant	2-Mitchell	ARO Mitchell U0 Asbestos	\$372,406.99
31700 - ARO Steam Production Plant	2-Mitchell	ARO Mitchell U1 Asbestos	\$1,818,650.05
31700 - ARO Steam Production Plant	2-Mitchell	ARO#1 Connor Run Ash Pond	\$10,465,138.90
31700 - ARO Steam Production Plant	2-Mitchell	ARO#1 Mitchell Ash Pond	\$137,925.80
39919 - ARO General Plant	3-General Plant	ARO Pikeville Service Center	<u>\$81,054.35</u>
			<b><u>\$14,768,443.40</u></b>

ARO Depreciation Expense per Books

**ARO depr. to include in coal related retirement costs**

			<u>ARO Asset</u>	<u>Accretion</u>	<u>Total Estimated ARO Costs</u>
31700 - ARO Steam Production Plant	1-Big Sandy	Big Sandy Bottom Ash	\$2,113,060.00	\$180,815.00	\$2,293,875.00
31700 - ARO Steam Production Plant	1-Big Sandy	ARO Big Sandy U2 Asbestos	\$1,721,296.04	\$2,384,656.96	\$4,105,953.00
31700 - ARO Steam Production Plant	1-Big Sandy	ASH#1 Big Sandy Ash Pond	\$42,577,812.63	\$7,048,183.37	\$49,625,996.00
			<b><u>\$46,412,168.67</u></b>	<b><u>\$9,613,655.33</u></b>	<b><u>\$56,025,824.00</u></b>