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COMMISSION

February 10, 2015

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

**HAND DELIVERED**

Re: PSC Case No. 2014-00252

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and ten copies of the response of East Kentucky Power Cooperative, Inc. to the Commission Staff's Hearing Request for Information from the formal hearing held on February 3, 2015.

Very truly yours,

Mark David Goss

Enclosures

Cc: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

AN APPLICATION OF EAST KENTUCKY )  
POWER COOPERATIVE, INC. FOR A )  
CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY FOR CONSTRUCTION OF AN )  
ASH LANDFILL AT J. K. SMITH STATION TO )  
RECEIVE IMPOUNDED ASH FROM WILLIAM )  
C. DALE STATION, AND FOR APPROVAL OF A )  
COMPLIANCE PLAN AMENDMENT FOR )  
ENVIRONMENTAL SURCHARGE RECOVERY )

CASE NO.  
2014-00252

CERTIFICATE

STATE OF KENTUCKY )  
 )  
COUNTY OF CLARK )

Isaac S. Scott, being duly sworn, states that he has supervised the preparation of the response of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Hearing Request for Information in the above-referenced case from the formal hearing held on February 3, 2015, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

*Isaac S. Scott*

Subscribed and sworn before me on this 10<sup>th</sup> day of February 2015.

*Gwyn M. Willoughby* #500144  
Notary Public



EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2014-00252

RESPONSE TO INFORMATION REQUEST

COMMISSION'S INFORMATION REQUEST AT HEARING HELD ON 02/03/15

REQUEST 1

RESPONSIBLE PARTY: Isaac S. Scott

**Request 1.** Provide a revenue requirements analysis of treating the \$9,857,000 in Ash Removal and Hauling costs as an expense rather than including in a Retirement Work in Progress account and amortizing the cost over a 10-year period.

**Response 1.** Please see pages 4 through 12 of 12 to this response for EKPC's analysis. The analysis is based on the modeling that EKPC used in its response to the Commission Staff's Initial Request for Information dated October 9, 2014, Request No. 30d(4), pages 13 through 22 of 35.

The analysis is a comparison of revenue requirements. For EKPC's original proposal, the revenue requirement reflects the return on both the construction work in progress ("CWIP") balance for the Smith Landfill Cell and the retirement work in progress ("RWIP") balance for the total ash transfer costs plus the amortization expense for both these costs. For the alternative, the revenue requirement reflects the return on both the CWIP balance

for the Smith Landfill Cell and the RWIP balance for the total ash transfer costs (net of the ash removal and hauling costs), plus the amortization for those costs, plus the expensing of the ash removal and hauling costs as incurred. While the analysis reflects a 10-year amortization period, because the proposed amortization of the CWIP and RWIP balances do not start at the same time, the analysis actually covers a period of 12 years and 9 months. The analysis presents the results on a monthly and annual basis.

As shown in the Summary on page 4 of 12, on an annual basis in the first three years of the analysis, the revenue requirement from expensing the ash removal and hauling costs would be \$9,081,634 higher than the revenue requirement for the same period under EKPC's original proposal. The ash removal and hauling costs are anticipated to be incurred between 2015 and 2017, so it would be expected that the revenue requirement resulting from expensing these costs would be higher than following RWIP accounting and accumulating and deferring the costs. From 2018 through 2027 the annual revenue requirement from expensing the ash removal and hauling costs would be \$12,687,262 lower than the revenue requirement for the same period under EKPC's original proposal. This result would also be expected, as no additional ash removal and hauling costs are anticipated after 2017. The analysis shows the net difference in the revenue requirement where the ash removal and hauling costs are expensed is \$3,605,628 lower than the EKPC original proposal over the 12 year and 9 month period.

EKPC believes this analysis demonstrates the point Mr. Scott was referencing during his testimony at the February 3, 2015 public hearing. Looking at the

Summary page on a monthly basis shows that during the first three years of the project expensing the ash removal and hauling costs significantly increases the revenue requirement in eight months in each of those years. It is true that after the first three years the monthly revenue requirements are lower when the ash removal and hauling costs are expensed rather than accounted for under RWIP accounting.

EKPC also believes that this analysis shows that ratepayers would not be better off from expensing the ash removal and hauling costs for many years. Looking at the cumulative revenue requirements, either annually or monthly, shows that the cumulative revenue requirements from expensing the ash removal and hauling costs would be greater than the cumulative revenue requirements from the RWIP accounting treatment until 2024, specifically August 2024. In other words, while the total difference in the cumulative revenue requirements over the 12 year and 9 month period is lower from expensing the ash removal and hauling costs, this advantage is not achieved until approximately 9 years and 4 months have passed. The advantage exists only during the last 3 years and 5 months of the analysis.

**Summary Results - Comparison of Combined Return and Expense Totals  
EKPC Original Proposal versus Expensing of Ash Removal and Hauling Costs**

Time Period	Combined Return and Expense Totals				Cumulative Totals		
	EKPC Original Proposal	Expensing Ash Removal & Hauling Costs	Dollar Difference	Percentage Difference	EKPC Original Proposal	Expensing Ash Removal & Hauling Costs	Dollar Difference
Calendar Year							
2015	\$278,377	\$1,369,908	\$1,091,531	392.11%	\$278,377	\$1,369,908	\$1,091,531
2016	\$1,116,402	\$5,601,361	\$4,484,959	401.73%	\$1,394,779	\$6,971,269	\$5,576,490
2017	\$1,883,699	\$5,388,843	\$3,505,144	186.08%	\$3,278,478	\$12,360,112	\$9,081,634
2018	\$4,177,475	\$2,631,770	(\$1,545,705)	-37.00%	\$7,455,953	\$14,991,882	\$7,535,929
2019	\$4,014,084	\$2,528,114	(\$1,485,970)	-37.02%	\$11,470,037	\$17,519,996	\$6,049,959
2020	\$3,850,696	\$2,424,458	(\$1,426,238)	-37.04%	\$15,320,733	\$19,944,454	\$4,623,721
2021	\$3,687,305	\$2,320,802	(\$1,366,503)	-37.06%	\$19,008,038	\$22,265,256	\$3,257,218
2022	\$3,523,916	\$2,217,146	(\$1,306,770)	-37.08%	\$22,531,954	\$24,482,402	\$1,950,448
2023	\$3,360,526	\$2,113,490	(\$1,247,036)	-37.11%	\$25,892,480	\$26,595,892	\$703,412
2024	\$3,197,140	\$2,009,838	(\$1,187,302)	-37.14%	\$29,089,620	\$28,605,730	(\$483,890)
2025	\$2,967,629	\$1,840,060	(\$1,127,569)	-38.00%	\$32,057,249	\$30,445,790	(\$1,611,459)
2026	\$2,487,530	\$1,419,696	(\$1,067,834)	-42.93%	\$34,544,779	\$31,865,486	(\$2,679,293)
2027	\$2,157,998	\$1,231,663	(\$926,335)	-42.93%	\$36,702,777	\$33,097,149	(\$3,605,628)
Totals	\$36,702,777	\$33,097,149	(\$3,605,628)	-9.82%			
Monthly							
April 2015	\$7,314	\$146,944	\$139,630	1909.08%	\$7,314	\$146,944	\$139,630
May	\$11,496	\$150,418	\$138,922	1208.44%	\$18,810	\$297,362	\$278,552
June	\$15,679	\$153,892	\$138,213	881.52%	\$34,489	\$451,254	\$416,765
July	\$19,862	\$157,366	\$137,504	692.30%	\$54,351	\$608,620	\$554,269
August	\$24,044	\$160,840	\$136,796	568.94%	\$78,395	\$769,460	\$691,065
September	\$28,227	\$164,314	\$136,087	482.12%	\$106,622	\$933,774	\$827,152
October	\$32,410	\$167,788	\$135,378	417.70%	\$139,032	\$1,101,562	\$962,530
November	\$69,757	\$204,427	\$134,670	193.06%	\$208,789	\$1,305,989	\$1,097,200
December 2015	\$69,588	\$63,919	(\$5,669)	-8.15%	\$278,377	\$1,369,908	\$1,091,531
January 2016	\$69,420	\$63,751	(\$5,669)	-8.17%	\$347,797	\$1,433,659	\$1,085,862
February	\$69,252	\$63,583	(\$5,669)	-8.19%	\$417,049	\$1,497,242	\$1,080,193
March	\$69,083	\$63,414	(\$5,669)	-8.21%	\$486,132	\$1,560,656	\$1,074,524
April	\$75,608	\$652,365	\$576,757	762.83%	\$561,740	\$2,213,021	\$1,651,281
May	\$82,132	\$655,933	\$573,801	698.63%	\$643,872	\$2,868,954	\$2,225,082
June	\$88,656	\$659,501	\$570,845	643.89%	\$732,528	\$3,528,455	\$2,795,927
July	\$95,180	\$663,069	\$567,889	596.65%	\$827,708	\$4,191,524	\$3,363,816
August	\$101,705	\$666,637	\$564,932	555.46%	\$929,413	\$4,858,161	\$3,928,748
September	\$108,228	\$670,205	\$561,977	519.25%	\$1,037,641	\$5,528,366	\$4,490,725
October	\$114,753	\$673,773	\$559,020	487.15%	\$1,152,394	\$6,202,139	\$5,049,745
November	\$121,277	\$677,341	\$556,064	458.51%	\$1,273,671	\$6,879,480	\$5,605,809
December 2016	\$121,108	\$91,789	(\$29,319)	-24.21%	\$1,394,779	\$6,971,269	\$5,576,490
January 2017	\$120,940	\$91,621	(\$29,319)	-24.24%	\$1,515,719	\$7,062,890	\$5,547,171
February	\$120,772	\$91,453	(\$29,319)	-24.28%	\$1,636,491	\$7,154,343	\$5,517,852
March	\$120,603	\$91,284	(\$29,319)	-24.31%	\$1,757,094	\$7,245,627	\$5,488,533
April	\$126,189	\$600,715	\$474,526	376.04%	\$1,883,283	\$7,846,342	\$5,963,059
May	\$131,774	\$603,743	\$471,969	358.17%	\$2,015,057	\$8,450,085	\$6,435,028
June	\$137,358	\$606,770	\$469,412	341.74%	\$2,152,415	\$9,056,855	\$6,904,440
July	\$142,943	\$609,798	\$466,855	326.60%	\$2,295,358	\$9,666,653	\$7,371,295
August	\$148,528	\$612,826	\$464,298	312.60%	\$2,443,886	\$10,279,479	\$7,835,593
September	\$154,113	\$615,852	\$461,739	299.61%	\$2,597,999	\$10,895,331	\$8,297,332
October	\$159,698	\$618,880	\$459,182	287.53%	\$2,757,697	\$11,514,211	\$8,756,514
November	\$165,283	\$621,908	\$456,625	276.27%	\$2,922,980	\$12,136,119	\$9,213,139
December 2017	\$355,498	\$223,993	(\$131,505)	-36.99%	\$3,278,478	\$12,360,112	\$9,081,634
January 2018	\$354,363	\$223,273	(\$131,090)	-36.99%	\$3,632,841	\$12,583,385	\$8,950,544
February	\$353,229	\$222,554	(\$130,675)	-36.99%	\$3,986,070	\$12,805,939	\$8,819,869
March	\$352,094	\$221,833	(\$130,261)	-37.00%	\$4,338,164	\$13,027,772	\$8,689,608
April	\$350,960	\$221,114	(\$129,846)	-37.00%	\$4,689,124	\$13,248,886	\$8,559,762
May	\$349,825	\$220,394	(\$129,431)	-37.00%	\$5,038,949	\$13,469,280	\$8,430,331
June	\$348,690	\$219,674	(\$129,016)	-37.00%	\$5,387,639	\$13,688,954	\$8,301,315
July	\$347,556	\$218,954	(\$128,602)	-37.00%	\$5,735,195	\$13,907,908	\$8,172,713
August	\$346,421	\$218,235	(\$128,186)	-37.00%	\$6,081,616	\$14,126,143	\$8,044,527
September	\$345,286	\$217,514	(\$127,772)	-37.00%	\$6,426,902	\$14,343,657	\$7,916,755
October	\$344,152	\$216,795	(\$127,357)	-37.01%	\$6,771,054	\$14,560,452	\$7,789,398
November	\$343,017	\$216,075	(\$126,942)	-37.01%	\$7,114,071	\$14,776,527	\$7,662,456
December 2018	\$341,882	\$215,355	(\$126,527)	-37.01%	\$7,455,953	\$14,991,882	\$7,535,929
January 2019	\$340,748	\$214,635	(\$126,113)	-37.01%	\$7,796,701	\$15,206,517	\$7,409,816
February	\$339,613	\$213,916	(\$125,697)	-37.01%	\$8,136,314	\$15,420,433	\$7,284,119
March	\$338,478	\$213,195	(\$125,283)	-37.01%	\$8,474,792	\$15,633,628	\$7,158,836
April	\$337,344	\$212,476	(\$124,868)	-37.02%	\$8,812,136	\$15,846,104	\$7,033,968
May	\$336,209	\$211,756	(\$124,453)	-37.02%	\$9,148,345	\$16,057,860	\$6,909,515
June	\$335,074	\$211,036	(\$124,038)	-37.02%	\$9,483,419	\$16,268,896	\$6,785,477
July	\$333,940	\$210,316	(\$123,624)	-37.02%	\$9,817,359	\$16,479,212	\$6,661,853

**Summary Results - Comparison of Combined Return and Expense Totals  
EKPC Original Proposal versus Expensing of Ash Removal and Hauling Costs**

Time Period	Combined Return and Expense Totals				Cumulative Totals		
	EKPC Original Proposal	Expensing Ash Removal & Hauling Costs	Dollar Difference	Percentage Difference	EKPC Original Proposal	Expensing Ash Removal & Hauling Costs	Dollar Difference
August	\$332,805	\$209,597	(\$123,208)	-37.02%	\$10,150,164	\$16,688,809	\$6,538,645
September	\$331,670	\$208,876	(\$122,794)	-37.02%	\$10,481,834	\$16,897,685	\$6,415,851
October	\$330,536	\$208,157	(\$122,379)	-37.02%	\$10,812,370	\$17,105,842	\$6,293,472
November	\$329,401	\$207,437	(\$121,964)	-37.03%	\$11,141,771	\$17,313,279	\$6,171,508
December 2019	\$328,266	\$206,717	(\$121,549)	-37.03%	\$11,470,037	\$17,519,996	\$6,049,959
January 2020	\$327,132	\$205,997	(\$121,135)	-37.03%	\$11,797,169	\$17,725,993	\$5,928,824
February	\$325,998	\$205,278	(\$120,720)	-37.03%	\$12,123,167	\$17,931,271	\$5,808,104
March	\$324,862	\$204,557	(\$120,305)	-37.03%	\$12,448,029	\$18,135,828	\$5,687,799
April	\$323,728	\$203,838	(\$119,890)	-37.03%	\$12,771,757	\$18,339,866	\$5,567,909
May	\$322,594	\$203,118	(\$119,476)	-37.04%	\$13,094,351	\$18,542,784	\$5,448,433
June	\$321,458	\$202,398	(\$119,060)	-37.04%	\$13,415,809	\$18,745,182	\$5,329,373
July	\$320,324	\$201,678	(\$118,646)	-37.04%	\$13,736,133	\$18,946,860	\$5,210,727
August	\$319,190	\$200,959	(\$118,231)	-37.04%	\$14,055,323	\$19,147,819	\$5,092,496
September	\$318,054	\$200,238	(\$117,816)	-37.04%	\$14,373,377	\$19,348,057	\$4,974,680
October	\$316,920	\$199,519	(\$117,401)	-37.04%	\$14,690,297	\$19,547,576	\$4,857,279
November	\$315,786	\$198,799	(\$116,987)	-37.05%	\$15,006,083	\$19,746,375	\$4,740,292
December 2020	\$314,650	\$198,079	(\$116,571)	-37.05%	\$15,320,733	\$19,944,454	\$4,623,721
January 2021	\$313,516	\$197,359	(\$116,157)	-37.05%	\$15,634,249	\$20,141,813	\$4,507,564
February	\$312,382	\$196,640	(\$115,742)	-37.05%	\$15,946,631	\$20,338,453	\$4,391,822
March	\$311,246	\$195,919	(\$115,327)	-37.05%	\$16,257,877	\$20,534,372	\$4,276,495
April	\$310,112	\$195,200	(\$114,912)	-37.05%	\$16,567,989	\$20,729,572	\$4,161,583
May	\$308,978	\$194,480	(\$114,498)	-37.06%	\$16,876,967	\$20,924,052	\$4,047,085
June	\$307,842	\$193,760	(\$114,082)	-37.06%	\$17,184,809	\$21,117,812	\$3,933,003
July	\$306,708	\$193,040	(\$113,668)	-37.06%	\$17,491,517	\$21,310,852	\$3,819,335
August	\$305,574	\$192,321	(\$113,253)	-37.06%	\$17,797,091	\$21,503,173	\$3,706,082
September	\$304,438	\$191,600	(\$112,838)	-37.06%	\$18,101,529	\$21,694,773	\$3,593,244
October	\$303,304	\$190,881	(\$112,423)	-37.07%	\$18,404,833	\$21,885,654	\$3,480,821
November	\$302,170	\$190,161	(\$112,009)	-37.07%	\$18,707,003	\$22,075,815	\$3,368,812
December 2021	\$301,035	\$189,441	(\$111,594)	-37.07%	\$19,008,038	\$22,265,256	\$3,257,218
January 2022	\$299,900	\$188,721	(\$111,179)	-37.07%	\$19,307,938	\$22,453,977	\$3,146,039
February	\$298,766	\$188,002	(\$110,764)	-37.07%	\$19,606,704	\$22,641,979	\$3,035,275
March	\$297,631	\$187,281	(\$110,350)	-37.08%	\$19,904,335	\$22,829,260	\$2,924,925
April	\$296,496	\$186,562	(\$109,934)	-37.08%	\$20,200,831	\$23,015,822	\$2,814,991
May	\$295,362	\$185,842	(\$109,520)	-37.08%	\$20,496,193	\$23,201,664	\$2,705,471
June	\$294,227	\$185,122	(\$109,105)	-37.08%	\$20,790,420	\$23,386,766	\$2,596,366
July	\$293,092	\$184,402	(\$108,690)	-37.08%	\$21,083,512	\$23,571,188	\$2,487,676
August	\$291,958	\$183,683	(\$108,275)	-37.09%	\$21,375,470	\$23,754,871	\$2,379,401
September	\$290,823	\$182,962	(\$107,861)	-37.09%	\$21,666,293	\$23,937,833	\$2,271,540
October	\$289,688	\$182,243	(\$107,445)	-37.09%	\$21,955,981	\$24,120,076	\$2,164,095
November	\$288,554	\$181,523	(\$107,031)	-37.09%	\$22,244,535	\$24,301,599	\$2,057,064
December 2022	\$287,419	\$180,803	(\$106,616)	-37.09%	\$22,531,954	\$24,482,402	\$1,950,448
January 2023	\$286,284	\$180,083	(\$106,201)	-37.10%	\$22,818,238	\$24,662,485	\$1,844,247
February	\$285,150	\$179,364	(\$105,786)	-37.10%	\$23,103,386	\$24,841,849	\$1,738,461
March	\$284,015	\$178,643	(\$105,372)	-37.10%	\$23,387,403	\$25,020,492	\$1,633,089
April	\$282,880	\$177,924	(\$104,956)	-37.10%	\$23,670,283	\$25,198,416	\$1,528,133
May	\$281,746	\$177,204	(\$104,542)	-37.11%	\$23,952,029	\$25,375,620	\$1,423,591
June	\$280,611	\$176,484	(\$104,127)	-37.11%	\$24,232,640	\$25,552,104	\$1,319,464
July	\$279,477	\$175,764	(\$103,713)	-37.11%	\$24,512,117	\$25,727,868	\$1,215,751
August	\$278,342	\$175,045	(\$103,297)	-37.11%	\$24,790,459	\$25,902,913	\$1,112,454
September	\$277,207	\$174,324	(\$102,883)	-37.11%	\$25,067,666	\$26,077,237	\$1,009,571
October	\$276,073	\$173,605	(\$102,468)	-37.12%	\$25,343,739	\$26,250,842	\$907,103
November	\$274,938	\$172,885	(\$102,053)	-37.12%	\$25,618,677	\$26,423,727	\$805,050
December 2023	\$273,803	\$172,165	(\$101,638)	-37.12%	\$25,892,480	\$26,595,892	\$703,412
January 2024	\$272,669	\$171,445	(\$101,224)	-37.12%	\$26,165,149	\$26,767,337	\$602,188
February	\$271,534	\$170,726	(\$100,808)	-37.13%	\$26,436,683	\$26,938,063	\$501,380
March	\$270,400	\$170,006	(\$100,394)	-37.13%	\$26,707,083	\$27,108,069	\$400,986
April	\$269,265	\$169,286	(\$99,979)	-37.13%	\$26,976,348	\$27,277,355	\$301,007
May	\$268,130	\$168,566	(\$99,564)	-37.13%	\$27,244,478	\$27,445,921	\$201,443
June	\$266,996	\$167,847	(\$99,149)	-37.14%	\$27,511,474	\$27,613,768	\$102,294
July	\$265,861	\$167,126	(\$98,735)	-37.14%	\$27,777,335	\$27,780,894	\$3,559
August	\$264,726	\$166,407	(\$98,319)	-37.14%	\$28,042,061	\$27,947,301	(\$94,760)
September	\$263,592	\$165,687	(\$97,905)	-37.14%	\$28,305,653	\$28,112,988	(\$192,665)
October	\$262,457	\$164,967	(\$97,490)	-37.15%	\$28,568,110	\$28,277,955	(\$290,155)
November	\$261,322	\$164,247	(\$97,075)	-37.15%	\$28,829,432	\$28,442,202	(\$387,230)
December 2024	\$260,188	\$163,528	(\$96,660)	-37.15%	\$29,089,620	\$28,605,730	(\$483,890)
January 2025	\$259,053	\$162,807	(\$96,246)	-37.15%	\$29,348,673	\$28,768,537	(\$580,136)
February	\$257,918	\$162,088	(\$95,830)	-37.16%	\$29,606,591	\$28,930,625	(\$675,966)
March	\$256,784	\$161,368	(\$95,416)	-37.16%	\$29,863,375	\$29,091,993	(\$771,382)
April	\$255,649	\$160,648	(\$95,001)	-37.16%	\$30,119,024	\$29,252,641	(\$866,383)
May	\$254,515	\$159,928	(\$94,587)	-37.16%	\$30,373,539	\$29,412,569	(\$960,970)
June	\$253,380	\$159,209	(\$94,171)	-37.17%	\$30,626,919	\$29,571,778	(\$1,055,141)
July	\$252,245	\$158,488	(\$93,757)	-37.17%	\$30,879,164	\$29,730,266	(\$1,148,898)

**Summary Results - Comparison of Combined Return and Expense Totals  
EKPC Original Proposal versus Expensing of Ash Removal and Hauling Costs**

Time Period	Combined Return and Expense Totals				Cumulative Totals		
	EKPC Original Proposal	Expensing Ash Removal & Hauling Costs	Dollar Difference	Percentage Difference	EKPC Original Proposal	Expensing Ash Removal & Hauling Costs	Dollar Difference
August	\$251,111	\$157,769	(\$93,342)	-37.17%	\$31,130,275	\$29,888,035	(\$1,242,240)
September	\$249,976	\$157,049	(\$92,927)	-37.17%	\$31,380,251	\$30,045,084	(\$1,335,167)
October	\$248,841	\$156,329	(\$92,512)	-37.18%	\$31,629,092	\$30,201,413	(\$1,427,679)
November	\$214,582	\$122,484	(\$92,098)	-42.92%	\$31,843,674	\$30,323,897	(\$1,519,777)
December 2025	\$213,575	\$121,893	(\$91,682)	-42.93%	\$32,057,249	\$30,445,790	(\$1,611,459)
January 2026	\$212,609	\$121,341	(\$91,268)	-42.93%	\$32,269,858	\$30,567,131	(\$1,702,727)
February	\$211,643	\$120,790	(\$90,853)	-42.93%	\$32,481,501	\$30,687,921	(\$1,793,580)
March	\$210,676	\$120,238	(\$90,438)	-42.93%	\$32,692,177	\$30,808,159	(\$1,884,018)
April	\$209,710	\$119,687	(\$90,023)	-42.93%	\$32,901,887	\$30,927,846	(\$1,974,041)
May	\$208,744	\$119,135	(\$89,609)	-42.93%	\$33,110,631	\$31,046,981	(\$2,063,650)
June	\$207,777	\$118,584	(\$89,193)	-42.93%	\$33,318,408	\$31,165,565	(\$2,152,843)
July	\$206,811	\$118,032	(\$88,779)	-42.93%	\$33,525,219	\$31,283,597	(\$2,241,622)
August	\$205,845	\$117,481	(\$88,364)	-42.93%	\$33,731,064	\$31,401,078	(\$2,329,986)
September	\$204,878	\$116,929	(\$87,949)	-42.93%	\$33,935,942	\$31,518,007	(\$2,417,935)
October	\$203,912	\$116,378	(\$87,534)	-42.93%	\$34,139,854	\$31,634,385	(\$2,505,469)
November	\$202,946	\$115,826	(\$87,120)	-42.93%	\$34,342,800	\$31,750,211	(\$2,592,589)
December 2026	\$201,979	\$115,275	(\$86,704)	-42.93%	\$34,544,779	\$31,865,486	(\$2,679,293)
January 2027	\$201,013	\$114,723	(\$86,290)	-42.93%	\$34,745,792	\$31,980,209	(\$2,765,583)
February	\$200,047	\$114,172	(\$85,875)	-42.93%	\$34,945,839	\$32,094,381	(\$2,851,458)
March	\$199,081	\$113,620	(\$85,461)	-42.93%	\$35,144,920	\$32,208,001	(\$2,936,919)
April	\$198,114	\$113,069	(\$85,045)	-42.93%	\$35,343,034	\$32,321,070	(\$3,021,964)
May	\$197,148	\$112,517	(\$84,631)	-42.93%	\$35,540,182	\$32,433,587	(\$3,106,595)
June	\$196,182	\$111,966	(\$84,216)	-42.93%	\$35,736,364	\$32,545,553	(\$3,190,811)
July	\$195,215	\$111,414	(\$83,801)	-42.93%	\$35,931,579	\$32,656,967	(\$3,274,612)
August	\$194,249	\$110,863	(\$83,386)	-42.93%	\$36,125,828	\$32,767,830	(\$3,357,998)
September	\$193,283	\$110,311	(\$82,972)	-42.93%	\$36,319,111	\$32,878,141	(\$3,440,970)
October	\$192,316	\$109,760	(\$82,556)	-42.93%	\$36,511,427	\$32,987,901	(\$3,523,526)
November	\$191,350	\$109,208	(\$82,142)	-42.93%	\$36,702,777	\$33,097,109	(\$3,605,668)
December 2027	\$0	\$40	\$40	0.00%	\$36,702,777	\$33,097,149	(\$3,605,628)
Totals	\$36,702,777	\$33,097,149	(\$3,605,628)	-9.82%			



From Exhibit ET-1 - Yearly Cash Flow  
Total Costs Exclusive of Smith Landfill Construction April - November Construction Activity assume equal monthly activity  
April 2015 Investment for Ash Transfer Component is \$620,000 plus \$328,250.

Assumptions: Landfill Cell construction costs \$4,000,000  
Ash Transfer costs - capitalized \$22,962,000  
Ash Transfer costs - expensed \$0  
Annual Rate of Return on Rate Base 6.06%  
Monthly Rate of Return on Rate Base 0.505%

Month	Landfill Cell Component			Ash Transfer Component			Return and Expense	Combined Return and Expense	Calendar Year Combined Return & Expense
	Investment	Accumulated Amortization	Net Investment	Monthly Return on Rate Base	Monthly Return on Rate Base	Ash Removal & Hauling Exp.			
May	\$4,000,000	\$2,233,311	\$1,766,689	\$3,333	\$6,922	\$3,333	\$42,255	\$308,978	\$191,350
June	\$4,000,000	\$2,296,644	\$1,703,356	\$3,333	\$6,753	\$3,333	\$42,088	\$285,756	\$191,350
July	\$4,000,000	\$2,296,977	\$1,700,023	\$3,333	\$6,585	\$3,333	\$41,918	\$262,534	\$191,350
August	\$4,000,000	\$2,353,310	\$1,636,686	\$3,333	\$6,417	\$3,333	\$41,750	\$239,312	\$191,350
September	\$4,000,000	\$2,399,643	\$1,573,019	\$3,333	\$6,248	\$3,333	\$41,581	\$216,090	\$191,350
October	\$4,000,000	\$2,446,976	\$1,509,352	\$3,333	\$6,079	\$3,333	\$41,413	\$192,868	\$191,350
November	\$4,000,000	\$2,493,309	\$1,445,685	\$3,333	\$5,910	\$3,333	\$41,245	\$169,646	\$191,350
December 2021	\$4,000,000	\$2,539,642	\$1,382,018	\$3,333	\$5,741	\$3,333	\$41,078	\$146,424	\$191,350
January 2022	\$4,000,000	\$2,585,975	\$1,318,351	\$3,333	\$5,572	\$3,333	\$40,910	\$123,202	\$191,350
February	\$4,000,000	\$2,632,308	\$1,254,684	\$3,333	\$5,403	\$3,333	\$40,742	\$100,000	\$191,350
March	\$4,000,000	\$2,678,641	\$1,191,017	\$3,333	\$5,234	\$3,333	\$40,574	\$76,798	\$191,350
April	\$4,000,000	\$2,724,974	\$1,127,350	\$3,333	\$5,065	\$3,333	\$40,406	\$53,596	\$191,350
May	\$4,000,000	\$2,771,307	\$1,063,683	\$3,333	\$4,896	\$3,333	\$40,238	\$30,394	\$191,350
June	\$4,000,000	\$2,817,640	\$1,000,016	\$3,333	\$4,727	\$3,333	\$40,070	\$7,192	\$191,350
July	\$4,000,000	\$2,863,973	\$936,349	\$3,333	\$4,558	\$3,333	\$39,902	\$16,010	\$191,350
August	\$4,000,000	\$2,910,306	\$872,682	\$3,333	\$4,389	\$3,333	\$39,734	\$34,828	\$191,350
September	\$4,000,000	\$2,956,639	\$809,015	\$3,333	\$4,220	\$3,333	\$39,566	\$61,756	\$191,350
October	\$4,000,000	\$3,002,972	\$745,348	\$3,333	\$4,051	\$3,333	\$39,398	\$88,684	\$191,350
November	\$4,000,000	\$3,049,305	\$681,681	\$3,333	\$3,882	\$3,333	\$39,230	\$115,612	\$191,350
December 2022	\$4,000,000	\$3,095,638	\$618,014	\$3,333	\$3,713	\$3,333	\$39,062	\$142,540	\$191,350
January 2023	\$4,000,000	\$3,141,971	\$554,347	\$3,333	\$3,544	\$3,333	\$38,894	\$169,468	\$191,350
February	\$4,000,000	\$3,188,304	\$490,680	\$3,333	\$3,375	\$3,333	\$38,726	\$196,396	\$191,350
March	\$4,000,000	\$3,234,637	\$427,013	\$3,333	\$3,206	\$3,333	\$38,558	\$223,324	\$191,350
April	\$4,000,000	\$3,280,970	\$363,346	\$3,333	\$3,037	\$3,333	\$38,390	\$250,252	\$191,350
May	\$4,000,000	\$3,327,303	\$299,679	\$3,333	\$2,868	\$3,333	\$38,222	\$277,180	\$191,350
June	\$4,000,000	\$3,373,636	\$236,012	\$3,333	\$2,699	\$3,333	\$38,054	\$304,108	\$191,350
July	\$4,000,000	\$3,419,969	\$172,345	\$3,333	\$2,530	\$3,333	\$37,886	\$331,036	\$191,350
August	\$4,000,000	\$3,466,302	\$108,678	\$3,333	\$2,361	\$3,333	\$37,718	\$357,964	\$191,350
September	\$4,000,000	\$3,512,635	\$45,011	\$3,333	\$2,192	\$3,333	\$37,550	\$384,892	\$191,350
October	\$4,000,000	\$3,558,968	\$-19,656	\$3,333	\$2,023	\$3,333	\$37,382	\$411,820	\$191,350
November	\$4,000,000	\$3,605,301	\$-80,319	\$3,333	\$1,854	\$3,333	\$37,214	\$438,748	\$191,350
December 2023	\$4,000,000	\$3,651,634	\$-141,982	\$3,333	\$1,685	\$3,333	\$37,046	\$465,676	\$191,350
January 2024	\$4,000,000	\$3,697,967	\$-203,645	\$3,333	\$1,516	\$3,333	\$36,878	\$492,604	\$191,350
February	\$4,000,000	\$3,744,300	\$-265,308	\$3,333	\$1,347	\$3,333	\$36,710	\$519,532	\$191,350
March	\$4,000,000	\$3,790,633	\$-326,971	\$3,333	\$1,178	\$3,333	\$36,542	\$546,460	\$191,350
April	\$4,000,000	\$3,836,966	\$-388,634	\$3,333	\$1,009	\$3,333	\$36,374	\$573,388	\$191,350
May	\$4,000,000	\$3,883,299	\$-450,297	\$3,333	\$840	\$3,333	\$36,206	\$600,316	\$191,350
June	\$4,000,000	\$3,929,632	\$-511,960	\$3,333	\$671	\$3,333	\$36,038	\$627,244	\$191,350
July	\$4,000,000	\$3,975,965	\$-573,623	\$3,333	\$502	\$3,333	\$35,870	\$654,172	\$191,350
August	\$4,000,000	\$4,022,298	\$-635,286	\$3,333	\$333	\$3,333	\$35,702	\$681,100	\$191,350
September	\$4,000,000	\$4,068,631	\$-696,949	\$3,333	\$164	\$3,333	\$35,534	\$708,028	\$191,350
October	\$4,000,000	\$4,114,964	\$-758,612	\$3,333	\$-5	\$3,333	\$35,366	\$734,956	\$191,350
November	\$4,000,000	\$4,161,297	\$-820,275	\$3,333	\$-136	\$3,333	\$35,198	\$761,884	\$191,350
December 2024	\$4,000,000	\$4,207,630	\$-881,938	\$3,333	\$-297	\$3,333	\$35,030	\$788,812	\$191,350
January 2025	\$4,000,000	\$4,253,963	\$-943,601	\$3,333	\$-458	\$3,333	\$34,862	\$815,740	\$191,350
February	\$4,000,000	\$4,300,296	\$-1,005,264	\$3,333	\$-619	\$3,333	\$34,694	\$842,668	\$191,350
March	\$4,000,000	\$4,346,629	\$-1,066,927	\$3,333	\$-780	\$3,333	\$34,526	\$869,596	\$191,350
April	\$4,000,000	\$4,392,962	\$-1,128,590	\$3,333	\$-941	\$3,333	\$34,358	\$896,524	\$191,350
May	\$4,000,000	\$4,439,295	\$-1,190,253	\$3,333	\$-1,102	\$3,333	\$34,190	\$923,452	\$191,350
June	\$4,000,000	\$4,485,628	\$-1,251,916	\$3,333	\$-1,263	\$3,333	\$34,022	\$950,380	\$191,350
July	\$4,000,000	\$4,531,961	\$-1,313,579	\$3,333	\$-1,424	\$3,333	\$33,854	\$977,308	\$191,350
August	\$4,000,000	\$4,578,294	\$-1,375,242	\$3,333	\$-1,585	\$3,333	\$33,686	\$1,004,236	\$191,350
September	\$4,000,000	\$4,624,627	\$-1,436,905	\$3,333	\$-1,746	\$3,333	\$33,518	\$1,031,164	\$191,350
October	\$4,000,000	\$4,670,960	\$-1,498,568	\$3,333	\$-1,907	\$3,333	\$33,350	\$1,058,092	\$191,350
November	\$4,000,000	\$4,717,293	\$-1,560,231	\$3,333	\$-2,068	\$3,333	\$33,182	\$1,085,020	\$191,350
December 2025	\$4,000,000	\$4,763,626	\$-1,621,894	\$3,333	\$-2,229	\$3,333	\$33,014	\$1,111,948	\$191,350
January 2026	\$4,000,000	\$4,809,959	\$-1,683,557	\$3,333	\$-2,390	\$3,333	\$32,846	\$1,138,876	\$191,350
February	\$4,000,000	\$4,856,292	\$-1,745,220	\$3,333	\$-2,551	\$3,333	\$32,678	\$1,165,804	\$191,350
March	\$4,000,000	\$4,902,625	\$-1,806,883	\$3,333	\$-2,712	\$3,333	\$32,510	\$1,192,732	\$191,350
April	\$4,000,000	\$4,948,958	\$-1,868,546	\$3,333	\$-2,873	\$3,333	\$32,342	\$1,219,660	\$191,350
May	\$4,000,000	\$4,995,291	\$-1,930,209	\$3,333	\$-3,034	\$3,333	\$32,174	\$1,246,588	\$191,350
June	\$4,000,000	\$5,041,624	\$-1,991,872	\$3,333	\$-3,195	\$3,333	\$32,006	\$1,273,516	\$191,350
July	\$4,000,000	\$5,087,957	\$-2,053,535	\$3,333	\$-3,356	\$3,333	\$31,838	\$1,300,444	\$191,350
August	\$4,000,000	\$5,134,290	\$-2,115,198	\$3,333	\$-3,517	\$3,333	\$31,670	\$1,327,372	\$191,350
September	\$4,000,000	\$5,180,623	\$-2,176,861	\$3,333	\$-3,678	\$3,333	\$31,502	\$1,354,300	\$191,350
October	\$4,000,000	\$5,226,956	\$-2,238,524	\$3,333	\$-3,839	\$3,333	\$31,334	\$1,381,228	\$191,350
November	\$4,000,000	\$5,273,289	\$-2,300,187	\$3,333	\$-3,999	\$3,333	\$31,166	\$1,408,156	\$191,350
December 2026	\$4,000,000	\$5,319,622	\$-2,361,850	\$3,333	\$-4,160	\$3,333	\$31,000	\$1,435,084	\$191,350
January 2027	\$4,000,000	\$5,365,955	\$-2,423,513	\$3,333	\$-4,321	\$3,333	\$30,832	\$1,462,012	\$191,350
February	\$4,000,000	\$5,412,288	\$-2,485,176	\$3,333	\$-4,482	\$3,333	\$30,664	\$1,488,940	\$191,350
March	\$4,000,000	\$5,458,621	\$-2,546,839	\$3,333	\$-4,643	\$3,333	\$30,496	\$1,515,868	\$191,350
April	\$4,000,000	\$5,504,954	\$-2,608,502	\$3,333	\$-4,804	\$3,333	\$30,328	\$1,542,796	\$191,350
May	\$4,000,000	\$5,551,287	\$-2,670,165	\$3,333	\$-4,965	\$3,333	\$30,160	\$1,569,724	\$191,350
June	\$4,000,000	\$5,597,620	\$-2,731,828	\$3,333	\$-5,126	\$3,333	\$30,000	\$1,596,652	\$191,350
July	\$4,000,000	\$5,643,953	\$-2,793,491	\$3,333	\$-5,287	\$3,333	\$29,832	\$1,623,580	\$191,350
August	\$4,000,000	\$5,690,286	\$-2,855,154	\$3,333	\$-5,448	\$3,333	\$29,664	\$1,650,508	\$191,350
September	\$4,000,000	\$5,736,619	\$-2,916,817	\$3,333	\$-5,609	\$3,333	\$29,500	\$1,677,436	\$191,350
October	\$4,000,000	\$5,782,952	\$-2,978,480	\$3,333	\$-5,770	\$3,333	\$29,332	\$1,704,364	\$191,350
November	\$4,000,000	\$5,829,285	\$-3,040,143	\$3,333	\$-5,931	\$3,333	\$29,164	\$1,731,292	\$191,350
December 2027	\$4,000,000	\$5,875,618	\$-3,101,806	\$3,333	\$-6,092	\$3,333	\$29,000	\$1,758,220	\$191,350
January 2028	\$4,000,000	\$5,921,951	\$-3,163,469	\$3,333	\$-6,253	\$3,333	\$28,832	\$1,785,148	\$191,350
February	\$4,000,000	\$5,968,284	\$-3,225,132	\$3,333	\$-6,414	\$3,333	\$28,664	\$1,812,076	\$191,350
March	\$4,000,000	\$6,014,617	\$-3,286,795	\$3,333	\$-6,575	\$3,333	\$28,500	\$1,839,004	\$191,350
April	\$4,000,000	\$6,060,950	\$-3,348,458	\$3,333	\$-6,736	\$3,333	\$28,332	\$1,865,932	\$191,350
May	\$4,000,000	\$6,107,283	\$-3,410,121	\$3,333	\$-6,897	\$3,333	\$28,164	\$1,892,860	\$191,350
June	\$4,000,000	\$6,153,616	\$-3,471,784	\$3,333	\$-7,058	\$3,333	\$28,000	\$1,919,788	\$191,350
July	\$4,000,000	\$6,199,949	\$-3,533,447	\$3,333	\$-7,219	\$3,333	\$27,832	\$1,946,716	\$191,350
August	\$4,000,000	\$6,246,282	\$-3,595,110	\$3,333	\$-7,380	\$3,333	\$27,664	\$1,973,644	\$191,350
September	\$4,000,000	\$6,292,615	\$-3,656,773	\$3,333	\$-7,541	\$3,333	\$27,500	\$2,000,572	\$191,350
October	\$4,000,000	\$6,338,948	\$-3,718,436	\$3,333	\$-7,702	\$3,333	\$27,332	\$2,027,500	\$191,350
November	\$4,000,000	\$6,385,281	\$-3,780,099	\$3,333	\$-7,8				

Assumptions:  
 Landfill Cell construction costs \$4,000,000  
 Ash Transfer costs - capitalized \$22,982,000  
 Annual Rate of Return on Rate Base 6.06%  
 Monthly Rate of Return on Rate Base 0.505%

10 Year Amortization of Investment - All Ash Transfer Costs Capitalized

From Exhibit ET-1 - Yearly Cash Flow

	2014	2015	2016	2017	Totals
Total Costs Exclusive of Smith Landfill Construction Activity, April - November Construction Activity, assume equal monthly activity	\$620,000	\$2,826,000	\$10,602,000	\$8,114,000	\$22,982,000
April 2015 investment for Ash Transfer Component is \$620,000 plus \$328,250.		\$328,250	\$1,325,250	\$1,139,250	

Month	Investment	Accumulated Amortization	Landfill Cell Component				Ash Transfer Component				Combined Return and Expense	Calendar Year Combined Return & Expense			
			Net Investment	Monthly Return on Rate Base	Monthly Amortization Exp.	Return and Expenses	Investment	Accumulated Amortization	Net Investment	Monthly Return on Rate Base			Ash Removal & Hauling Exp.	Monthly Amortization Exp.	Return and Expenses
June	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
July	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
August	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
September	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
October	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
November	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
December 2027	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Totals</b>			\$1,272,607	\$4,000,000	\$5,272,607	\$5,272,607	\$5,272,607	\$5,272,607	\$5,272,607	\$5,272,607	\$5,272,607	\$5,272,607	\$5,272,607	\$5,272,607	\$5,272,607

**Assumptions:**

Landfill Cell construction costs	\$4,000,000
Ash Transfer costs - capitalized	\$13,105,000
Ash Transfer costs - expensed	\$9,857,000
Annual Rate of Return on Rate Base	6.05%
Monthly Rate of Return on Rate Base	0.505%

**From Exhibit ET-1 - Yearly Cash Flow**

	2014	2015	2016	2017	Totals
Construction Cost	\$820,000	\$1,841,000	\$8,085,000	\$7,040,000	\$17,840,000
Percentage of Total Construction based on %age of Total Construction		11.39%	47.51%	41.10%	100.00%
Total Costs Exclusive of Smith Landfill Construction		\$1,122,712	\$4,683,081	\$4,051,227	\$9,857,000
Less Ash Removal and Hauling		\$2,626,000	\$10,802,000	\$9,114,000	\$22,862,000
Net Total Costs		(\$1,503,288)	(\$4,683,081)	(\$4,051,227)	(\$13,857,596)
April - November Construction Activity, assume equal monthly activity		\$187,911	\$739,887	\$632,847	
April 2015 Investment for Ash Transfer Component is \$620,000 plus \$187,911.					
April - November Ash Removal and Hauling activity - assume equal monthly activity					
		\$140,339	\$585,383	\$506,403	\$1,369,908

**10 Year Amortization of Investment - Ash Removal and Hauling Costs Expensed, Remaining Costs Capitalized**

Month	Landfill Cell Component				Ash Transfer Component				Return and Expense	Combined Return and Expense	Calendar Year Combined Return & Expense
	Investment	Accumulated Amortization	Net Investment	Monthly Return on Rate Base	Investment	Accumulated Amortization	Net Investment	Monthly Return on Rate Base			
April 2015	\$500,000	\$0	\$500,000	\$2,525	\$607,911	\$0	\$607,911	\$4,080	\$140,339	\$144,419	\$146,844
May	\$1,500,000	\$5,050	\$1,505,050	\$7,575	\$995,822	\$5,050	\$990,772	\$5,080	\$140,339	\$1,000,852	\$150,418
June	\$2,000,000	\$10,100	\$2,010,100	\$12,625	\$1,183,733	\$10,100	\$1,173,633	\$5,978	\$140,339	\$1,229,612	\$163,892
July	\$2,500,000	\$15,150	\$2,515,150	\$17,675	\$1,371,644	\$15,150	\$1,356,494	\$6,927	\$140,339	\$1,507,421	\$187,966
August	\$3,000,000	\$20,300	\$3,020,300	\$22,725	\$1,559,555	\$20,300	\$1,539,255	\$7,876	\$140,339	\$1,747,131	\$212,440
September	\$3,500,000	\$25,450	\$3,525,450	\$27,775	\$1,747,466	\$25,450	\$1,722,016	\$8,825	\$140,339	\$1,986,841	\$236,914
October	\$4,000,000	\$30,600	\$4,030,600	\$32,825	\$1,935,377	\$30,600	\$1,904,777	\$9,774	\$140,339	\$2,226,551	\$261,388
November	\$4,000,000	\$35,650	\$4,035,650	\$37,875	\$2,123,288	\$35,650	\$2,087,638	\$10,723	\$140,339	\$2,466,261	\$285,862
December 2015	\$4,000,000	\$40,700	\$4,040,700	\$42,925	\$2,311,199	\$40,700	\$2,274,499	\$11,672	\$140,339	\$2,705,871	\$310,336
January 2016	\$4,000,000	\$45,750	\$4,045,750	\$47,975	\$2,499,110	\$45,750	\$2,453,610	\$12,621	\$140,339	\$2,945,481	\$334,810
February	\$4,000,000	\$50,800	\$4,050,800	\$53,025	\$2,687,021	\$50,800	\$2,636,221	\$13,570	\$140,339	\$3,185,091	\$359,284
March	\$4,000,000	\$55,850	\$4,055,850	\$58,075	\$2,874,932	\$55,850	\$2,828,082	\$14,519	\$140,339	\$3,424,701	\$383,758
April	\$4,000,000	\$60,900	\$4,060,900	\$63,125	\$3,062,843	\$60,900	\$3,014,943	\$15,468	\$140,339	\$3,664,311	\$408,232
May	\$4,000,000	\$65,950	\$4,065,950	\$68,175	\$3,250,754	\$65,950	\$3,202,804	\$16,417	\$140,339	\$3,904,921	\$432,706
June	\$4,000,000	\$71,000	\$4,071,000	\$73,225	\$3,438,665	\$71,000	\$3,390,665	\$17,366	\$140,339	\$4,145,531	\$457,180
July	\$4,000,000	\$76,050	\$4,076,050	\$78,275	\$3,626,576	\$76,050	\$3,578,526	\$18,315	\$140,339	\$4,386,141	\$481,654
August	\$4,000,000	\$81,100	\$4,081,100	\$83,325	\$3,814,487	\$81,100	\$3,766,387	\$19,264	\$140,339	\$4,626,751	\$506,128
September	\$4,000,000	\$86,150	\$4,086,150	\$88,375	\$4,002,398	\$86,150	\$3,954,248	\$20,213	\$140,339	\$4,867,361	\$530,602
October	\$4,000,000	\$91,200	\$4,091,200	\$93,425	\$4,190,309	\$91,200	\$4,142,109	\$21,162	\$140,339	\$5,107,971	\$555,076
November	\$4,000,000	\$96,250	\$4,096,250	\$98,475	\$4,378,220	\$96,250	\$4,334,020	\$22,111	\$140,339	\$5,348,581	\$579,550
December 2016	\$4,000,000	\$101,300	\$4,101,300	\$103,525	\$4,566,131	\$101,300	\$4,527,831	\$23,060	\$140,339	\$5,589,191	\$604,024
January 2017	\$4,000,000	\$106,350	\$4,106,350	\$108,575	\$4,754,042	\$106,350	\$4,715,692	\$24,009	\$140,339	\$5,829,801	\$628,498
February	\$4,000,000	\$111,400	\$4,111,400	\$113,625	\$4,941,953	\$111,400	\$4,902,553	\$24,958	\$140,339	\$6,070,411	\$652,972
March	\$4,000,000	\$116,450	\$4,116,450	\$118,675	\$5,129,864	\$116,450	\$5,090,414	\$25,907	\$140,339	\$6,311,021	\$677,446
April	\$4,000,000	\$121,500	\$4,121,500	\$123,725	\$5,317,775	\$121,500	\$5,278,275	\$26,856	\$140,339	\$6,551,631	\$701,920
May	\$4,000,000	\$126,550	\$4,126,550	\$128,775	\$5,505,686	\$126,550	\$5,466,136	\$27,805	\$140,339	\$6,792,241	\$726,394
June	\$4,000,000	\$131,600	\$4,131,600	\$133,825	\$5,693,597	\$131,600	\$5,654,997	\$28,754	\$140,339	\$7,032,851	\$750,868
July	\$4,000,000	\$136,650	\$4,136,650	\$138,875	\$5,881,508	\$136,650	\$5,842,858	\$29,703	\$140,339	\$7,273,461	\$775,342
August	\$4,000,000	\$141,700	\$4,141,700	\$143,925	\$6,069,419	\$141,700	\$6,030,719	\$30,652	\$140,339	\$7,514,071	\$800,816
September	\$4,000,000	\$146,750	\$4,146,750	\$148,975	\$6,257,330	\$146,750	\$6,215,580	\$31,601	\$140,339	\$7,754,681	\$825,290
October	\$4,000,000	\$151,800	\$4,151,800	\$154,025	\$6,445,241	\$151,800	\$6,400,441	\$32,550	\$140,339	\$7,995,291	\$850,764
November	\$4,000,000	\$156,850	\$4,156,850	\$159,075	\$6,633,152	\$156,850	\$6,588,292	\$33,499	\$140,339	\$8,235,901	\$875,238
December 2018	\$4,000,000	\$161,900	\$4,161,900	\$164,125	\$6,821,063	\$161,900	\$6,776,153	\$34,448	\$140,339	\$8,476,511	\$900,712
January 2019	\$4,000,000	\$166,950	\$4,166,950	\$169,175	\$7,008,974	\$166,950	\$7,000,004	\$35,397	\$140,339	\$8,717,121	\$925,186
February	\$4,000,000	\$172,000	\$4,172,000	\$174,225	\$7,196,885	\$172,000	\$7,187,885	\$36,346	\$140,339	\$8,957,731	\$949,660
March	\$4,000,000	\$177,050	\$4,177,050	\$179,275	\$7,384,796	\$177,050	\$7,375,796	\$37,295	\$140,339	\$9,198,341	\$974,134
April	\$4,000,000	\$182,100	\$4,182,100	\$184,325	\$7,572,707	\$182,100	\$7,563,707	\$38,244	\$140,339	\$9,438,951	\$998,608
May	\$4,000,000	\$187,150	\$4,187,150	\$189,375	\$7,760,618	\$187,150	\$7,751,618	\$39,193	\$140,339	\$9,679,561	\$1,023,082
June	\$4,000,000	\$192,200	\$4,192,200	\$194,425	\$7,948,529	\$192,200	\$7,939,529	\$40,142	\$140,339	\$9,920,171	\$1,047,556
July	\$4,000,000	\$197,250	\$4,197,250	\$199,475	\$8,136,440	\$197,250	\$8,127,440	\$41,091	\$140,339	\$10,160,781	\$1,072,030
August	\$4,000,000	\$202,300	\$4,202,300	\$204,525	\$8,324,351	\$202,300	\$8,315,351	\$42,040	\$140,339	\$10,399,391	\$1,096,504
September	\$4,000,000	\$207,350	\$4,207,350	\$209,575	\$8,512,262	\$207,350	\$8,503,262	\$42,989	\$140,339	\$10,638,001	\$1,120,978
October	\$4,000,000	\$212,400	\$4,212,400	\$214,625	\$8,700,173	\$212,400	\$8,691,173	\$43,938	\$140,339	\$10,876,611	\$1,145,452
November	\$4,000,000	\$217,450	\$4,217,450	\$219,675	\$8,888,084	\$217,450	\$8,879,084	\$44,887	\$140,339	\$11,115,221	\$1,170,926
December 2019	\$4,000,000	\$222,500	\$4,222,500	\$224,725	\$9,076,000	\$222,500	\$9,067,000	\$45,836	\$140,339	\$11,353,831	\$1,196,390
January 2020	\$4,000,000	\$227,550	\$4,227,550	\$229,775	\$9,263,911	\$227,550	\$9,254,911	\$46,785	\$140,339	\$11,592,441	\$1,221,864
February	\$4,000,000	\$232,600	\$4,232,600	\$234,825	\$9,451,822	\$232,600	\$9,442,822	\$47,734	\$140,339	\$11,831,051	\$1,247,338
March	\$4,000,000	\$237,650	\$4,237,650	\$239,875	\$9,639,733	\$237,650	\$9,630,733	\$48,683	\$140,339	\$12,069,661	\$1,272,812
April	\$4,000,000	\$242,700	\$4,242,700	\$244,925	\$9,827,644	\$242,700	\$9,818,644	\$49,632	\$140,339	\$12,308,271	\$1,300,286
May	\$4,000,000	\$247,750	\$4,247,750	\$250,000	\$10,015,555	\$247,750	\$10,006,555	\$50,581	\$140,339	\$12,546,881	\$1,327,760
June	\$4,000,000	\$252,800	\$4,252,800	\$255,050	\$10,203,466	\$252,800	\$10,194,466	\$51,530	\$140,339	\$12,785,491	\$1,355,234
July	\$4,000,000	\$257,850	\$4,257,850	\$260,100	\$10,391,377	\$257,850	\$10,382,377	\$52,479	\$140,339	\$13,024,101	\$1,382,708
August	\$4,000,000	\$262,900	\$4,262,900	\$265,150	\$10,579,288	\$262,900	\$10,570,288	\$53,428	\$140,339	\$13,262,711	\$1,410,182
September	\$4,000,000	\$267,950	\$4,267,950	\$270,200	\$10,767,199	\$267,950	\$10,758,199	\$54,377	\$140,339	\$13,501,321	\$1,437,656
October	\$4,000,000	\$273,000	\$4,273,000	\$275,250	\$10,955,110	\$273,000	\$10,946,110	\$55,326	\$140,339	\$13,740,931	\$1,465,130
November	\$4,000,000	\$278,050	\$4,278,050	\$280,300	\$11,143,021	\$278,050	\$11,134,021	\$56,275	\$140,339	\$13,980,541	\$1,492,604
December 2020	\$4,000,000	\$283,100	\$4,283,100	\$285,350	\$11,330,932	\$283,100	\$11,322,932	\$57,224	\$140,339	\$14,220,151	\$1,520,078
January 2021	\$4,000,000	\$288,150	\$4,288,150	\$290,400	\$11,518,843	\$288,150	\$11,510,843	\$58,173	\$140,339	\$14,459,761	\$1,547,552
February	\$4,000,000	\$293,200	\$4,293,200	\$295,450	\$11,706,754	\$293,200	\$11,702,754	\$59,122	\$140,339	\$14,701,371	\$1,575,026
March	\$4,000,000	\$298,250	\$4,298,250	\$300,500	\$11,894,665	\$298,250	\$11,890,665	\$60,071	\$140,339	\$14,942,981	\$1,602,500
April	\$4,000,000	\$303,300	\$4,303,300	\$305,550	\$12,082,576	\$303,300	\$12,078,576	\$61,020	\$140,339	\$15,184,591	\$1,630,974
May	\$4,000,000	\$308,350	\$4,308,350	\$310,600	\$12,270,487	\$308,350	\$12,266,487	\$61,969	\$140,339	\$15,426,201	\$1,659,448
June	\$4,000,000	\$313,400	\$4,313,400	\$315,650	\$12,458,398	\$313,400	\$12,454,398	\$62,918	\$140,339	\$15,667,811	\$1,687,922
July	\$4,000,000	\$318,450	\$4,318,450	\$320,700	\$12,646,309	\$318,450	\$12,642,309	\$63,867	\$140,339	\$15,909,421	\$1,716,396
August	\$4,000,000	\$323,500	\$4,323,500	\$325,750	\$12,834,220	\$323,500	\$12,830,220	\$64,816	\$140,339	\$16,151,031	\$1,744,870
September	\$4,000,000	\$328,550	\$4,328,550	\$330,800	\$13,022,131	\$328,550	\$13,018,131	\$65,765	\$140,339	\$16,392,641	\$1,773,344
October	\$4,000,000	\$333,600	\$4,333,60								

Assumptions:

Landfill Cell construction costs	\$4,000,000
Ash Transfer costs - capitalized	\$13,105,000
Ash Transfer costs - expensed	\$9,857,000
Annual Rate of Return on Rate Base	6.06%
Monthly Rate of Return on Rate Base	0.505%

From Exhibit ET-1 - Yearly Cash Flow

Construction Cost	2014	2015	2016	2017	Totals
Percentage of Total Construction	\$620,000	\$1,941,000	\$8,065,000	\$7,004,000	\$17,040,000
Ash Removal and Hauling Costs		11.39%	47.51%	41.10%	100.00%
based on %age of Total Construction					
Total Costs Exclusive of Smith Landfill Construction		\$1,122,712	\$4,683,061	\$4,051,227	\$9,857,000
Less Ash Removal and Hauling		\$2,626,000	\$10,602,000	\$9,114,000	\$22,962,000
Net Total Costs		(\$1,122,712)	(\$4,683,061)	(\$4,051,227)	(\$9,857,000)
April - November Construction Activity, assume equal monthly activity		\$187,911	\$739,867	\$632,847	\$1,559,625
April 2015 Investment for Ash Transfer Component is \$920,000 plus \$187,911.		\$140,339	\$685,393	\$506,403	\$1,332,135

10 Year Amortization of Investment - Ash Removal and Hauling Costs Expensed, Remaining Costs Capitalized

Month	Landfill Cell Component				Ash Transfer Component				Return and Expense	Combined Return and Expense	Calendar Year Combined Return & Expense
	Investment	Accumulated Amortization	Net Investment	Monthly Return on Rate Base	Investment	Accumulated Amortization	Net Investment	Monthly Return on Rate Base			
July	\$4,000,000	\$1,899,981	\$2,100,019	\$10,605	\$13,105,000	\$3,494,656	\$9,610,344	\$49,532	\$109,208	\$201,678	
August	\$4,000,000	\$1,933,314	\$2,066,686	\$10,437	\$13,105,000	\$3,603,884	\$9,501,116	\$9,501,128	\$109,208	\$200,959	
September	\$4,000,000	\$1,966,647	\$2,033,353	\$10,268	\$13,105,000	\$3,713,072	\$9,391,928	\$7,472,9	\$109,208	\$200,238	
October	\$4,000,000	\$1,999,980	\$2,000,020	\$10,100	\$13,105,000	\$3,822,260	\$9,282,720	\$4,678,7	\$109,208	\$199,519	
November	\$4,000,000	\$2,033,313	\$1,966,687	\$9,932	\$13,105,000	\$3,931,448	\$9,173,512	\$3,457,1	\$109,208	\$198,799	
December 2020	\$4,000,000	\$2,066,646	\$1,933,354	\$9,763	\$13,105,000	\$4,040,636	\$9,064,304	\$2,241,7	\$109,208	\$198,079	
January 2021	\$4,000,000	\$2,099,979	\$1,900,021	\$9,595	\$13,105,000	\$4,149,824	\$8,955,096	\$1,031,3	\$109,208	\$197,359	
February	\$4,000,000	\$2,133,312	\$1,866,688	\$9,427	\$13,105,000	\$4,259,012	\$8,845,888	\$0,176,0	\$109,208	\$196,640	
March	\$4,000,000	\$2,166,645	\$1,833,355	\$9,258	\$13,105,000	\$4,368,200	\$8,736,680	\$0,821,2	\$109,208	\$195,919	
April	\$4,000,000	\$2,199,978	\$1,800,022	\$9,089	\$13,105,000	\$4,477,388	\$8,627,472	\$1,466,5	\$109,208	\$195,200	
May	\$4,000,000	\$2,233,311	\$1,766,689	\$8,922	\$13,105,000	\$4,586,576	\$8,518,264	\$2,111,8	\$109,208	\$194,481	
June	\$4,000,000	\$2,266,644	\$1,733,356	\$8,755	\$13,105,000	\$4,695,764	\$8,409,056	\$2,757,1	\$109,208	\$193,762	
July	\$4,000,000	\$2,299,977	\$1,700,023	\$8,588	\$13,105,000	\$4,804,952	\$8,299,848	\$3,402,4	\$109,208	\$193,043	
August	\$4,000,000	\$2,333,310	\$1,666,690	\$8,421	\$13,105,000	\$4,914,140	\$8,190,640	\$4,047,7	\$109,208	\$192,324	
September	\$4,000,000	\$2,366,643	\$1,633,357	\$8,254	\$13,105,000	\$5,023,328	\$8,081,432	\$4,693,0	\$109,208	\$191,605	
October	\$4,000,000	\$2,399,976	\$1,600,024	\$8,087	\$13,105,000	\$5,132,516	\$7,972,224	\$5,338,3	\$109,208	\$190,886	
November	\$4,000,000	\$2,433,309	\$1,566,691	\$7,920	\$13,105,000	\$5,241,704	\$7,863,016	\$5,983,6	\$109,208	\$190,167	
December 2021	\$4,000,000	\$2,466,642	\$1,533,358	\$7,753	\$13,105,000	\$5,350,892	\$7,753,808	\$6,628,9	\$109,208	\$189,448	
January 2022	\$4,000,000	\$2,499,975	\$1,500,025	\$7,586	\$13,105,000	\$5,460,080	\$7,644,600	\$7,274,2	\$109,208	\$188,729	
February	\$4,000,000	\$2,533,308	\$1,466,692	\$7,419	\$13,105,000	\$5,569,268	\$7,535,392	\$7,819,5	\$109,208	\$188,010	
March	\$4,000,000	\$2,566,641	\$1,433,359	\$7,252	\$13,105,000	\$5,678,456	\$7,426,184	\$8,344,8	\$109,208	\$187,291	
April	\$4,000,000	\$2,599,974	\$1,400,026	\$7,085	\$13,105,000	\$5,787,644	\$7,316,976	\$8,870,1	\$109,208	\$186,572	
May	\$4,000,000	\$2,633,307	\$1,366,693	\$6,918	\$13,105,000	\$5,896,832	\$7,207,768	\$9,395,4	\$109,208	\$185,853	
June	\$4,000,000	\$2,666,640	\$1,333,360	\$6,751	\$13,105,000	\$6,006,020	\$7,098,560	\$9,920,7	\$109,208	\$185,134	
July	\$4,000,000	\$2,699,973	\$1,300,027	\$6,584	\$13,105,000	\$6,115,208	\$6,989,352	\$10,446,0	\$109,208	\$184,415	
August	\$4,000,000	\$2,733,306	\$1,266,694	\$6,417	\$13,105,000	\$6,224,396	\$6,880,144	\$10,971,3	\$109,208	\$183,696	
September	\$4,000,000	\$2,766,639	\$1,233,361	\$6,250	\$13,105,000	\$6,333,584	\$6,770,936	\$11,496,6	\$109,208	\$182,977	
October	\$4,000,000	\$2,799,972	\$1,200,028	\$6,083	\$13,105,000	\$6,442,772	\$6,661,728	\$12,021,9	\$109,208	\$182,258	
November	\$4,000,000	\$2,833,305	\$1,166,695	\$5,916	\$13,105,000	\$6,551,960	\$6,552,516	\$12,547,2	\$109,208	\$181,539	
December 2022	\$4,000,000	\$2,866,638	\$1,133,362	\$5,749	\$13,105,000	\$6,661,148	\$6,443,312	\$13,072,5	\$109,208	\$180,820	
January 2023	\$4,000,000	\$2,899,971	\$1,100,029	\$5,582	\$13,105,000	\$6,770,336	\$6,334,104	\$13,600,0	\$109,208	\$180,101	
February	\$4,000,000	\$2,933,304	\$1,066,696	\$5,415	\$13,105,000	\$6,879,524	\$6,224,896	\$14,125,3	\$109,208	\$179,382	
March	\$4,000,000	\$2,966,637	\$1,033,363	\$5,248	\$13,105,000	\$6,988,712	\$6,115,688	\$14,650,6	\$109,208	\$178,663	
April	\$4,000,000	\$2,999,970	\$1,000,030	\$5,081	\$13,105,000	\$7,097,900	\$6,006,480	\$15,175,9	\$109,208	\$177,944	
May	\$4,000,000	\$3,033,303	\$966,697	\$4,914	\$13,105,000	\$7,207,088	\$5,897,272	\$15,701,2	\$109,208	\$177,225	
June	\$4,000,000	\$3,066,636	\$933,364	\$4,747	\$13,105,000	\$7,316,276	\$5,788,064	\$16,226,5	\$109,208	\$176,506	
July	\$4,000,000	\$3,099,969	\$900,031	\$4,580	\$13,105,000	\$7,425,464	\$5,678,856	\$16,751,8	\$109,208	\$175,787	
August	\$4,000,000	\$3,133,302	\$866,696	\$4,413	\$13,105,000	\$7,534,652	\$5,569,648	\$17,277,1	\$109,208	\$175,068	
September	\$4,000,000	\$3,166,635	\$833,363	\$4,246	\$13,105,000	\$7,643,840	\$5,460,440	\$17,802,4	\$109,208	\$174,349	
October	\$4,000,000	\$3,199,968	\$800,032	\$4,079	\$13,105,000	\$7,753,028	\$5,351,232	\$18,327,7	\$109,208	\$173,630	
November	\$4,000,000	\$3,233,301	\$766,697	\$3,912	\$13,105,000	\$7,862,216	\$5,242,024	\$18,853,0	\$109,208	\$172,911	
December 2023	\$4,000,000	\$3,266,634	\$733,364	\$3,745	\$13,105,000	\$7,971,404	\$5,132,816	\$19,378,3	\$109,208	\$172,192	
January 2024	\$4,000,000	\$3,299,967	\$700,033	\$3,578	\$13,105,000	\$8,080,592	\$5,023,608	\$19,903,6	\$109,208	\$171,473	
February	\$4,000,000	\$3,333,300	\$666,698	\$3,411	\$13,105,000	\$8,189,780	\$4,914,400	\$20,428,9	\$109,208	\$170,754	
March	\$4,000,000	\$3,366,633	\$633,367	\$3,244	\$13,105,000	\$8,298,968	\$4,805,192	\$20,954,2	\$109,208	\$170,035	
April	\$4,000,000	\$3,399,966	\$600,034	\$3,077	\$13,105,000	\$8,408,156	\$4,695,984	\$21,479,5	\$109,208	\$169,316	
May	\$4,000,000	\$3,433,299	\$566,699	\$2,910	\$13,105,000	\$8,517,344	\$4,586,776	\$22,004,8	\$109,208	\$168,597	
June	\$4,000,000	\$3,466,632	\$533,368	\$2,743	\$13,105,000	\$8,626,532	\$4,477,568	\$22,530,1	\$109,208	\$167,878	
July	\$4,000,000	\$3,499,965	\$500,035	\$2,576	\$13,105,000	\$8,735,720	\$4,368,360	\$23,055,4	\$109,208	\$167,159	
August	\$4,000,000	\$3,533,298	\$466,699	\$2,409	\$13,105,000	\$8,844,908	\$4,259,152	\$23,580,7	\$109,208	\$166,440	
September	\$4,000,000	\$3,566,631	\$433,368	\$2,242	\$13,105,000	\$8,954,096	\$4,149,944	\$24,106,0	\$109,208	\$165,721	
October	\$4,000,000	\$3,599,964	\$400,037	\$2,075	\$13,105,000	\$9,063,284	\$4,040,736	\$24,631,3	\$109,208	\$165,002	
November	\$4,000,000	\$3,633,297	\$366,699	\$1,908	\$13,105,000	\$9,172,472	\$3,931,528	\$25,156,6	\$109,208	\$164,283	
December 2024	\$4,000,000	\$3,666,630	\$333,370	\$1,741	\$13,105,000	\$9,281,660	\$3,822,320	\$25,681,9	\$109,208	\$163,564	
January 2025	\$4,000,000	\$3,699,963	\$300,037	\$1,574	\$13,105,000	\$9,390,848	\$3,713,112	\$26,207,2	\$109,208	\$162,845	
February	\$4,000,000	\$3,733,296	\$266,699	\$1,407	\$13,105,000	\$9,500,036	\$3,603,904	\$26,732,5	\$109,208	\$162,126	
March	\$4,000,000	\$3,766,629	\$233,371	\$1,240	\$13,105,000	\$9,609,224	\$3,494,696	\$27,257,8	\$109,208	\$161,407	
April	\$4,000,000	\$3,799,962	\$200,038	\$1,073	\$13,105,000	\$9,718,412	\$3,385,488	\$27,783,1	\$109,208	\$160,688	
May	\$4,000,000	\$3,833,295	\$166,699	\$954	\$13,105,000	\$9,827,600	\$3,276,280	\$28,308,4	\$109,208	\$159,969	
June	\$4,000,000	\$3,866,628	\$133,372	\$887	\$13,105,000	\$9,936,788	\$3,167,072	\$28,833,7	\$109,208	\$159,250	
July	\$4,000,000	\$3,899,961	\$100,039	\$820	\$13,105,000	\$10,045,976	\$3,057,864	\$29,359,0	\$109,208	\$158,531	
August	\$4,000,000	\$3,933,294	\$66,699	\$753	\$13,105,000	\$10,155,164	\$2,948,656	\$29,884,3	\$109,208	\$157,812	
September	\$4,000,000	\$3,966,627	\$33,372	\$686	\$13,105,000	\$10,264,352	\$2,839,448	\$30,409,6	\$109,208	\$157,093	

