Goss ▪ Samford PLLC
Attorneys at Law

June 5, 2015

VIA HAND DELIVERY

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

Re: PSC Case No. 2014-00432

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and eight copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC"), to the Staff's Second Request for Information dated May 29, 2015.

Very truly yours,

David S. Samford

Enclosures

2365 Harrodsburg Road, Suite B-325 | Lexington, Kentucky 40504

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR AN ORDER APPROVING THE ESTABLISHMENT OF REGULATORY ASSETS FOR THE DEPRECIATION AND ACCRETION EXPENSES ASSOCIATED WITH ASSET RETIREMENT OBLIGATIONS	))))))	CASE NO. 2014-00432

RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC., DATED MAY 29, 2015

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR AN ORDER APPROVING THE ESTABLISHMENT OF REGULATORY ASSETS FOR THE DEPRECIATION AND ACCRETION EXPENSES ASSOCIATED WITH ASSET RETIREMENT OBLIGATIONS	))))))	**CASE NO. 2014-00432**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Michelle K. Carpenter, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Second Request for Information in the above-referenced case dated May 29, 2015, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Michelle K. Carpenter

Subscribed and sworn before me on this 5th day of June 2015.

Gwyn M. Willoughby
Notary Public

#508144

GWYN M. WILLOUGHBY
Notary Public
State at Large
Kentucky
My Commission Expires Nov 30, 2017

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR AN ORDER APPROVING THE ESTABLISHMENT OF REGULATORY ASSETS FOR THE DEPRECIATION AND ACCRETION EXPENSES ASSOCIATED WITH ASSET RETIREMENT OBLIGATIONS	))))))	**CASE NO. 2014-00432**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Mike McNalley, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Second Request for Information in the above-referenced case dated May 29, 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.

Subscribed and sworn before me on this 5th day of June 2015.

Gwyn M. Willoughby #530144
Notary Public

GWYN M. WILLOUGHBY
Notary Public
State at Large
Kentucky
My Commission Expires Nov 30, 2017

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR AN ORDER APPROVING THE ESTABLISHMENT OF REGULATORY ASSETS FOR THE DEPRECIATION AND ACCRETION EXPENSES ASSOCIATED WITH ASSET RETIREMENT OBLIGATIONS	))))))	**CASE NO. 2014-00432**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Isaac S. Scott, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Second Request for Information in the above-referenced case dated May 29, 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 5th day of June 2015.

Gwyn M. Willoughby #500144
Notary Public

GWYN M. WILLOUGHBY
Notary Public
State at Large
Kentucky
My Commission Expires Nov 30, 2017

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2014-00432

RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 05/29/15

REQUEST 1

RESPONSIBLE PARTY: Mike McNalley

Request 1. Refer to the application for rehearing, page 8, regarding the $2,149,889 of the 2014 total Asset Retirement Obligation ("ARO") that remained on EKPC's financial statements and resulted in a corresponding reduction of 2014 margins. If the Commission were to approve EKPC's request in the instant case, explain any changes that would be made to EKPC's 2014 financial statements regarding the $2,149,889 that remained on EKPC's financial statements due to the original Order.

Response 1. If the Commission approves EKPC's rehearing request, EKPC would not make any changes to the 2014 financial statements regarding the $2,149,889 that was recorded as expense during the year given the dollars involved were expensed as required by the March 6, 2015 Order and would not warrant reopening closed books, restating audited financial statements, and revising the capital credit allocations for 2014. If the Commission grants the relief requested in this rehearing, EKPC would request the Commission direct EKPC to record a credit to expense and debit to the regulatory asset account for $2,149,889 in the 2015 financial statements to bring the regulatory asset balance up to the amount requested in our original application and to

also record the entire annual ARO-related depreciation and accretion expenses as regulatory assets in 2015 and subsequent years.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2014-00432

RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 05/29/15

REQUEST 2

RESPONSIBLE PARTY: Michelle K. Carpenter and Isaac S. Scott

Request 2. Refer to EKPC's response to Commission Staff's Rehearing Request for Information, Item 1, pages 7-9, regarding the ARO example. In the same format used in the example, based on the amount of ash transfer costs of $9,866,193 approved in Case No. 2014-00252,[1] provide the relevant calculations including the ARO-related depreciation and accretion expenses' impacts on EKPC's financial statements. Include a detailed narrative description of the calculations and the reasoning supporting the calculations.

Response 2. The ARO example provided in the response to Rehearing Request 1, pages 7 through 9, reflected a hypothetical example showing the impacts on financial statements between the regular ARO accounting treatment and recording ARO-related depreciation and accretion expenses as regulatory assets. EKPC perceives the current request is seeking to show the impacts of the Commission's March 6, 2015 Order in this case where the requested

[1] Case No. 2014-00252, *Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience for Construction of an Ash Landfill at J.K. Smith Station, the Removal of Impounded Ash from William C. Dale Station for Transport to J.K. Smith and Approval of a Compliance Plan Amendment for Environmental Surcharge Recovery* (Ky. PSC Mar. 6, 2015).

regulatory asset treatment was denied for the ARO-related depreciation and accretion expenses associated with the ash transfer costs for Dale. Pages 8 through 15 of this response contain EKPC's calculations of the March 6, 2015 Order's impact on the financial statements using the format used in the earlier hypothetical example. The calculations recognize earlier entries EKPC made to its financial records concerning the originally established ARO associated with the Dale ash ponds. In addition to the requested impact on EKPC's financial statements of the March 6, 2015 Order, EKPC has included calculations reflecting the impact on its financial statements of its original proposal and its request for rehearing.

Page 8 of 15 shows the determination of the ARO liability, ARO accretion, and ARO depreciation for the Dale ash transfer and Dale ash pond reclamation on a combined basis. The total retirement cost at January 1, 2014 of $22,290,000 is developed from the Application in Case No. 2014-00252, page 22, paragraph 28, the project cost estimate for the Dale ash removal and restoration project and the Smith landfill project. The total retirement costs also can be found in Exhibit ET-1 to the Direct Testimony of Ed Tohill, Table 7-1. Beginning with the total cost of $26,962,000, the following items are removed: the Smith landfill costs of $4,000,000; the escalation estimate of $512,000; estimated Smith liner costs of $100,000; and estimated Smith project management costs of $60,000. The estimated Smith landfill cost, liner costs, and project management costs are excluded because the Smith landfill was not associated with the ARO established for the Dale ash removal and restoration project. The escalation estimate was excluded since the ARO calculations would reflect separate present value estimates. The present value factor

of 3.45% is the same rate that was utilized when EKPC recorded the ARO liability for the Dale ash disposal cost on December 1, 2013. Please see EKPC's response to the Commission Staff's Initial Request for Information dated December 24, 2014 ("Staff Initial Request"), Item 5, page 3 of 3. The determination of the accretion and depreciation expenses follows the same approach utilized in the hypothetical example. The accretion and depreciation expenses are calculated through 2019 to correspond with the end of the estimated useful life of Dale.

The calculations on this page reflect the determination of the ARO liability, ARO accretion, and ARO depreciation for the Dale ash disposal costs utilizing the estimated project costs provided in Case No. 2014-00252. As EKPC has noted throughout this proceeding, any measurement changes in the ARO liability would result in changes in the ARO-related depreciation and accretion expenses. As shown in EKPC's response to Staff Initial Request 5, page 3 of 3, the original estimated cost for the Dale ash disposal was $24,000,000. The revision of the total retirement cost to $22,290,000 constitutes a measurement change that has to be recognized. The depreciation and accretion adjustments labeled "Previous" reflect the originally calculated depreciation and accretion expenses for 2013 and 2014. This "Previous" adjustment is necessary in order to determine the correct depreciation and accretion expenses through 2019.

Page 9 of 15 shows the determination of the ARO liability, ARO accretion, and ARO depreciation for only the Dale ash transfer costs. In order to model the impact on the financial statements of the March 6, 2015 Order, it is necessary to prepare separate ARO calculations for the Dale ash transfer and Dale ash pond reclamation. The assumptions and

approaches are the same as were utilized on page 8 of 15. The total retirement cost at January 1, 2014 of $9,857,000 comes from the Application in Case No. 2014-00252, page 22, paragraph 28, the line item titled "Ash Removal and Hauling". The 44.22% allocation of the "Previous" adjustment to depreciation and accretion expenses is the result of dividing the $9,857,000 by the combined cost of $22,290,000.

Page 10 of 15 shows the determination of the ARO liability, ARO accretion, and ARO depreciation for only the Dale ash pond reclamation costs. The assumptions and approaches are the same as were utilized on page 8 of 15. The total retirement cost at January 1, 2014 of $12,433,000 is the balance remaining after subtracting the Dale ash transfer costs of $9,857,000 from the combined cost of $22,290,000. The 55.78% allocation of the "Previous" adjustment to depreciation and accretion expenses is the result of dividing the $12,433,000 by the combined cost of $22,290,000.

Page 11 of 15 shows the impact on EKPC's financial statements if the originally requested regulatory asset treatment for the ARO-related depreciation and accretion expenses had been authorized. For purposes of this modeling, EKPC has assumed that the final actual project costs would be $23,500,000. The ARO-related depreciation and accretion expenses are shown from 2013 through 2019, as the end of the estimated useful life of Dale is in 2019.

The calculations for 2013 reflect the impacts from the initial establishment of the ARO for this legal obligation. The impact to margins in 2013 reflects the fact EKPC did not seek to have the ARO-related depreciation and accretion expenses recorded in December 2013

reclassified as part of the regulatory asset. In 2014, there is a present value cash flow revision to the ARO asset and ARO liability balances, reflecting the change in measurement discussed previously in this response. There is no impact on the margins in 2014 through 2019 as all ARO-related depreciation and accretion expenses were reclassified as regulatory assets.

For purposes of this modeling, EKPC has assumed the ash transfer costs would be incurred over the 2015-2017 time period and the reclamation costs would be incurred in 2017. The recovery of the costs through the environmental surcharge reflects the Commission's determination in Case No. 2014-00252 that the ash transfer costs would be expensed as incurred while the ash pond reclamation costs would be deferred and amortized over a 10-year period. In this model this amortization is assumed to begin in 2018 and continues through 2027. There is a final true-up of the regulatory assets in 2027 which is due to the fact EKPC expensed the 2013 ARO-related depreciation and accretion expenses, but ultimately recovered these costs through the environmental surcharge.

As EKPC has noted throughout this proceeding, there will be a settlement adjustment when the actual costs of the legal obligation are final. This is shown in 2017. There is a "Gain/Loss on Settlement" adjustment to the ARO liability of $1,411,539. This is the difference between the ARO estimated liability at 2019 of $24,911,539 and the assumed final actual costs of $23,500,000. A corresponding adjustment is reflected in the regulatory asset accumulated amortization.

Pages 12 and 13 of 15 show the impact on EKPC's financial statements reflecting the findings in the March 6, 2015 Order, which denied regulatory asset treatment for that portion of the ARO-related depreciation and accretion expenses associated with the Dale ash transfer costs. The assumptions and approaches followed in preparing this page are the same as for the calculations shown on page 11 of 15, with the exception that the assumed Dale ash transfer costs are separated from the assumed Dale ash pond reclamation costs. The ARO-related depreciation and accretion expenses associated with the Dale ash pond reclamation are reclassified as regulatory assets. The ARO-related depreciation and accretion expenses associated with the Dale ash transfer are expensed as incurred.

For the 2017 settlement of the ARO associated with the Dale ash transfer, the $1,150,094 is the difference between the ARO estimated liability at 2019 of $11,016,287 and the assumed final actual costs of $9,866,193. The settlement for the Dale ash transfer impacts the determination of margins in 2017. The settlement of the ARO associated with the Dale ash pond reclamation of $261,445 is the difference between the ARO estimated liability at 2019 of $13,895,252 and the assumed final actual costs of $13,633,807. The settlement for the Dale ash pond reclamation is reflected in the regulatory asset accumulated amortization in 2017.

As shown on page 13 of 15, during the years 2014 through 2019 EKPC's margins would be impacted each year by the decision in the March 6, 2015 Order.

Pages 14 and 15 of 15 show the impact on EKPC's financial statements reflecting EKPC's requested relief in this rehearing. The assumptions and approaches followed in

preparing this page are the same as for the calculations shown on pages 11 through 13 of 15. The 2015 margins are impacted by the rehearing decision, but margins in 2016 through 2019 are not impacted as all ARO-related depreciation and accretion expenses are reclassified as regulatory assets.

As noted on pages 11 through 15 of 15, regardless of the method used, EKPC will still incur assumed project costs of $23,500,000 and will ultimately recover these costs through the environmental surcharge over time, which results in no overall impact to margins by the end of the recovery period. However, the method prescribed in the March 6, 2015 Order causes volatility in margins from year to year. These examples also demonstrate that the establishment and amortization of a regulatory asset is the only way to effectively match revenues and expenses.

EAST KENTUCKY POWER COOPERATIVE
ASSET RETIREMENT OBLIGATION CALCULATION--RETIREMENT OF DALE ASH PONDS

Aggregate Calculation--Excludes Cost of New Smith Landfill

[redacted]

	Retirement Cost Jan 1	Inflation Rate	Inflation	Retirement w/ Inflation December 31	
2014	22,290,000.00			22,290,000.00	
2015	22,290,000.00	2.50%	557,250.00	22,847,250.00	
2016	22,847,250.00	2.50%	571,181.25	23,418,431.25	
2017	23,418,431.25	2.50%	585,460.78	24,003,892.03	
2018	24,003,892.03	2.50%	600,097.30	24,603,989.33	
2019	24,603,989.33	2.50%	307,549.87	24,911,539.20	Cost for inflation through June 2019
				21,385,200.90	PV at 3.45%
				4.5	YEARS (54 months)

[redacted]

	Liability Balance Jan 1	Interest Rate	Accretion	Liability Balance December 31
	21,385,200.90			21,385,200.90
2015	21,385,200.90	3.45%	737,789.43	22,122,990.33
2016	22,122,990.33	3.45%	763,243.17	22,886,233.50
2017	22,886,233.50	3.45%	789,575.06	23,675,808.55
2018	23,675,808.55	3.45%	816,815.40	24,492,623.95
2019	24,492,623.95	3.45%	418,915.25	24,911,539.20

[redacted]

	Estimated Annual Depreciation	Accretion from above	Estimated Annual Depreciation & Accretion
2015	4,752,266.87	737,789.43	5,490,056.30
2016	4,752,266.87	763,243.17	5,515,510.04
2017	4,752,266.87	789,575.06	5,541,841.93
2018	4,752,266.87	816,815.40	5,569,082.27
2019	2,376,133.42	418,915.25	2,795,048.67
	21,385,200.90	3,526,338.30	24,911,539.20
Previous	(4,414,218.20)	(852,545.32)	(5,266,763.52)
	16,970,982.70	2,673,792.98	19,644,775.68

	New Estimated Annual Depreciation	Previously Recognized	Depreciation to be Recognized	New Estimated Accretion	Previously Recognized	Accretion to be Recognized	Estimated Annual Depreciation & Accretion to be Recognized
2015	4,752,266.87	(980,937.38)	3,771,329.49	737,789.43	(189,454.52)	548,334.91	4,319,664.40
2016	4,752,266.87	(980,937.38)	3,771,329.49	763,243.17	(189,454.52)	573,788.65	4,345,118.14
2017	4,752,266.87	(980,937.38)	3,771,329.49	789,575.06	(189,454.52)	600,120.54	4,371,450.03
2018	4,752,266.87	(980,937.38)	3,771,329.49	816,815.40	(189,454.52)	627,360.88	4,398,690.37
2019	2,376,133.42	(490,468.69)	1,885,664.73	418,915.25	(94,727.24)	324,188.01	2,209,852.74
	21,385,200.90	(4,414,218.20)	16,970,982.70	3,526,338.30	(852,545.32)	2,673,792.98	19,644,775.68

[redacted] established December 1, 2013, revised estimate December 31, 2014

rates:	credit adj:	final disc rate:
5 year U.S. Treasury 1.75%	1.7	3.45
7 year U.S. Treasury 2.45%		

EAST KENTUCKY POWER COOPERATIVE
ASSET RETIREMENT OBLIGATION CALCULATION--RETIREMENT OF DALE ASH PONDS

Cost to Haul Ash to Smith--Breakdown of Non-Regulatory Asset Treatment Per PSC Order

	Retirement Cost Jan 1	Inflation Rate	Inflation	Retirement w/ Inflation December 31	
2014	9,857,000.00			9,857,000.00	
2015	9,857,000.00	2.50%	246,425.00	10,103,425.00	
2016	10,103,425.00	2.50%	252,585.63	10,356,010.63	
2017	10,356,010.63	2.50%	258,900.27	10,614,910.90	
2018	10,614,910.90	2.50%	265,372.77	10,880,283.67	
2019	10,880,283.67	2.50%	136,003.55	11,016,287.22	Cost for inflation through June 2019
				9,456,883.15	PV at 3.45%
				4.5	YEARS (54 months)

	Liability Balance Jan 1	Interest Rate	Accretion	Liability Balance December 31
	9,456,883.15			9,456,883.15
2015	9,456,883.15	3.45%	326,262.47	9,783,145.62
2016	9,783,145.62	3.45%	337,518.52	10,120,664.14
2017	10,120,664.14	3.45%	349,162.91	10,469,827.05
2018	10,469,827.05	3.45%	361,209.03	10,831,036.08
2019	10,831,036.08	3.45%	185,251.14	11,016,287.22

	Estimated Annual Depreciation	Accretion from above	Estimated Annual Depreciation & Accretion
2015	2,101,529.59	326,262.47	2,427,792.06
2016	2,101,529.59	337,518.52	2,439,048.11
2017	2,101,529.59	349,162.91	2,450,692.50
2018	2,101,529.59	361,209.03	2,462,738.62
2019	1,050,764.79	185,251.14	1,236,015.93
	9,456,883.15	1,559,404.07	11,016,287.22
Previous	(4,414,218.20)	(852,545.32)	(5,266,763.52)
44.22% applied	(1,951,967.29)	(376,995.54)	(2,328,962.83)

	New Estimated Annual Depreciation	Previously Recognized	Depreciation to be Recognized	New Estimated Accretion	Previously Recognized	Accretion to be Recognized	Estimated Annual Depreciation & Accretion to be Recognized
2015	2,101,529.59	(433,770.51)	1,667,759.08	326,262.47	(83,776.79)	242,485.68	1,910,244.76
2016	2,101,529.59	(433,770.51)	1,667,759.08	337,518.52	(83,776.79)	253,741.73	1,921,500.81
2017	2,101,529.59	(433,770.51)	1,667,759.08	349,162.91	(83,776.79)	265,386.12	1,933,145.20
2018	2,101,529.59	(433,770.51)	1,667,759.08	361,209.03	(83,776.79)	277,432.24	1,945,191.32
2019	1,050,764.79	(216,885.25)	833,879.54	185,251.14	(41,888.38)	143,362.76	977,242.30
	9,456,883.15	(1,951,967.29)	7,504,915.86	1,559,404.07	(376,995.54)	1,182,408.53	8,687,324.39

established December 1, 2013, revised estimate December 31, 2014

rates:	credit adj:	final disc rate:
5 year U.S. Treasury 1.75%	1.7	3.45
7 year U.S. Treasury 2.45%		

Note: percentage applied based upon ratio of hauling expense to total ARO

EAST KENTUCKY POWER COOPERATIVE
ASSET RETIREMENT OBLIGATION CALCULATION--RETIREMENT OF DALE ASH PONDS

All Costs Other than Ash Hauling for Dale Ash Pond ARO--Per PSC Order

[redacted]

	Retirement Cost Jan 1	Inflation Rate	Inflation	Retirement w/ Inflation December 31	
2014	12,433,000.00			12,433,000.00	
2015	12,433,000.00	2.50%	310,825.00	12,743,825.00	
2016	12,743,825.00	2.50%	318,595.63	13,062,420.63	
2017	13,062,420.63	2.50%	326,560.52	13,388,981.15	
2018	13,388,981.15	2.50%	334,724.53	13,723,705.68	
2019	13,723,705.68	2.50%	171,546.32	13,895,252.00	Cost for inflation through June 2019
				11,928,317.76	PV at 3.45%
				4.5	YEARS (54 months)

[redacted]

	Liability Balance Jan 1	Interest Rate	Accretion	Liability Balance December 31
	11,928,317.76			11,928,317.76
2015	11,928,317.76	3.45%	411,526.96	12,339,844.72
2016	12,339,844.72	3.45%	425,724.64	12,765,569.36
2017	12,765,569.36	3.45%	440,412.14	13,205,981.50
2018	13,205,981.50	3.45%	455,606.36	13,661,587.86
2019	13,661,587.86	3.45%	233,664.14	13,895,252.00

[redacted]

	Estimated Annual Depreciation	Accretion from above	Estimated Annual Depreciation & Accretion
2015	2,650,737.28	411,526.96	3,062,264.24
2016	2,650,737.28	425,724.64	3,076,461.92
2017	2,650,737.28	440,412.14	3,091,149.42
2018	2,650,737.28	455,606.36	3,106,343.64
2019	1,325,368.64	233,664.14	1,559,032.78
	11,928,317.76	1,966,934.24	13,895,252.00
Previous	(4,414,218.20)	(852,545.32)	(5,266,763.52)
55.78% applied	(2,462,250.91)	(475,549.78)	(2,937,800.69)

	New Estimated Annual Depreciation	Previously Recognized	Depreciation to be Recognized	New Estimated Accretion	Previously Recognized	Accretion to be Recognized	Estimated Annual Depreciation & Accretion to be Recognized
2015	2,650,737.28	(547,166.87)	2,103,570.41	411,526.96	(105,677.73)	305,849.23	2,409,419.64
2016	2,650,737.28	(547,166.87)	2,103,570.41	425,724.64	(105,677.73)	320,046.91	2,423,617.32
2017	2,650,737.28	(547,166.87)	2,103,570.41	440,412.14	(105,677.73)	334,734.41	2,438,304.82
2018	2,650,737.28	(547,166.87)	2,103,570.41	455,606.36	(105,677.73)	349,928.63	2,453,499.04
2019	1,325,368.64	(273,583.43)	1,051,785.21	233,664.14	(52,838.86)	180,825.28	1,232,610.49
	11,928,317.76	(2,462,250.91)	9,466,066.85	1,966,934.24	(475,549.78)	1,491,384.46	10,957,451.31

[redacted] established December 1, 2013, revised estimate December 31, 2014

rates:	credit adj:	final disc rate:
5 year U.S. Treasury 1.75%	1.7	3.45
7 year U.S. Treasury 2.45%		

ARO Example with Regulatory Asset Treatment--Impact as Originally Requested

ARO Estimate	$22,290,000	(revised based upon new estimate)
ARO Est. Date	12/31/2014	
Retirement Date	6/30/2019	
ARO Est. at 2019	$24,911,539	
Project Inception	2015	
Project Duration	3 Years	
Project Cost	$23,500,000	(for illustration purposes only)
Approved Recovery through ES		

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Balance Sheet															
Beg. Net ARO Asset	$ 22,750,201	$ 22,410,646	$ 16,970,983	$ 13,199,653	$ 9,428,324	$ 5,656,994	$ 1,885,665	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cash flow revision	$ -	$ (1,365,001)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Depreciation	$ 339,555	$ 4,074,663	$ 3,771,329	$ 3,771,329	$ 3,771,329	$ 3,771,329	$ 1,885,665	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Ending Net ARO Asset	$ 22,410,646	$ 16,970,983	$ 13,199,653	$ 9,428,324	$ 5,656,994	$ 1,885,665	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Regulatory Asset															
ARO expense transfer	$ -	$ 4,861,801	$ 4,319,664	$ 4,345,118	$ 4,371,450	$ 4,398,690	$ 2,209,853	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Reg Asset	$ -	$ 4,861,801	$ 9,181,466	$ 13,526,584	$ 17,898,034	$ 22,296,724	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577
Reg Asset Amort.															
Amort. Expense	$ -	$ -	$ (1,123,760)	$ (4,687,428)	$ (4,055,005)	$ (1,363,380)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,379)
True-Up to Actual (Gain/Loss)	$ -	$ -	$ -	$ -	$ (1,411,539)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 404,962
Net Accum Amort	$ -	$ -	$ (1,123,760)	$ (5,811,188)	$ (11,277,732)	$ (12,641,112)	$ (14,004,493)	$ (15,367,874)	$ (16,731,255)	$ (18,094,636)	$ (19,458,017)	$ (20,821,398)	$ (22,184,779)	$ (23,548,160)	$ (24,506,577)
Total Assets	$ 22,410,646	$ 21,832,784	$ 21,257,359	$ 17,143,720	$ 12,277,296	$ 11,541,277	$ 10,502,084	$ 9,138,703	$ 7,775,322	$ 6,411,941	$ 5,048,560	$ 3,685,179	$ 2,321,798	$ 958,417	$ 0
ARO Liability Beg of Yr	$ 22,750,201	$ 22,815,608	$ 22,237,746	$ 21,662,321	$ 17,548,681	$ (951,549)	$ (324,188)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)
Cash Flow Revisions	$ -	$ (1,365,001)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Accretion	$ 65,407	$ 787,138	$ 548,335	$ 573,789	$ 600,121	$ 627,361	$ 324,188	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Actual Project Costs	$ -	$ -	$ (1,123,760)	$ (4,687,428)	$ (17,688,812)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Gain/loss on Settlement	$ -	$ -	$ -	$ -	$ (1,411,539)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
ARO Liability End of Yr	$ 22,815,608	$ 22,237,746	$ 21,662,321	$ 17,548,681	$ (951,549)	$ (324,188)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)
Total Liabilities	$ 22,815,608	$ 22,237,746	$ 21,662,321	$ 17,548,681	$ (951,549)	$ (324,188)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Income Statement Cumulative Totals
Income Statement																
Revenue - ES	$ -	$ -	$ 1,123,760	$ 4,687,428	$ 4,055,005	$ 1,363,380	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,379	$ 23,500,000
ARO Depreciation	$ 339,555	$ 4,074,663	$ 3,771,329	$ 3,771,329	$ 3,771,329	$ 3,771,329	$ 1,885,665	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,385,201
ARO Accretion	$ 65,407	$ 787,138	$ 548,335	$ 573,789	$ 600,121	$ 627,361	$ 324,188	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,526,338
Total ARO Expenses	$ 404,962	$ 4,861,801	$ 4,319,664	$ 4,345,118	$ 4,371,450	$ 4,398,690	$ 2,209,853	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,911,539
ARO to Reg Asset	$ -	$ (4,861,801)	$ (4,319,664)	$ (4,345,118)	$ (4,371,450)	$ (4,398,690)	$ (2,209,853)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (24,506,577)
Net ARO Expenses	$ 404,962	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 404,962
Reg. Assset True-up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (404,962)	$ (404,962)	
Reg Asset Amortization	$ -	$ -	$ 1,123,760	$ 4,687,428	$ 4,055,005	$ 1,363,380	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,379	$ 23,500,000	
Margin Impact	$ (404,962)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 404,962	$ (0)	

Actual Project Costs	$ 1,123,760	$ 4,687,428	$ 17,688,812	

ARO Example Regulatory Asset Treatment--Impact as Ordered

	Aggregate	Ash Hauling	Reclamation
ARO Estimate	$22,290,000	$9,857,000	$12,433,000
ARO Est. Date	12/31/2014	12/31/2014	12/31/2014
Retirement Date	6/30/2019	6/30/2019	6/30/2019
ARO Est. at 2019	$24,911,539	$11,016,287	$13,895,252
Project Inception	2015	2015	2015
Project Duration	3 Years	3 Years	3 Years
Project Cost	$23,500,000	$9,866,193	$13,633,807
Approved Recovery through ES			

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Balance Sheet															
Beg. Net ARO Asset-Ash	$ 10,060,139	$ 9,909,988	$ 7,504,916	$ 5,837,157	$ 4,169,398	$ 2,501,639	$ 833,880	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)
Cash flow revision	$ -	$ (603,256)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Depreciation	$ 150,151	$ 1,801,816	$ 1,667,759	$ 1,667,759	$ 1,667,759	$ 1,667,759	$ 833,880	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Net ARO Asset-Ash	$ 9,909,988	$ 7,504,916	$ 5,837,157	$ 4,169,398	$ 2,501,639	$ 833,880	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)
Beg. Net ARO Asset-Reclaim	$ 12,690,062	$ 12,500,658	$ 9,466,067	$ 7,362,496	$ 5,258,926	$ 3,155,356	$ 1,051,785	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cash flow revision	$ -	$ (761,744)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Depreciation	$ 189,404	$ 2,272,847	$ 2,103,570	$ 2,103,570	$ 2,103,570	$ 2,103,570	$ 1,051,785	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Net ARO Asset-Reclaim	$ 12,500,658	$ 9,466,067	$ 7,362,496	$ 5,258,926	$ 3,155,356	$ 1,051,785	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Ending Net ARO Assets	$ 22,410,646	$ 16,970,983	$ 13,199,653	$ 9,428,324	$ 5,656,994	$ 1,885,665	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Regulatory Asset-Reclaim Only															
ARO expense transfer	$ -	$ 2,711,913	$ 2,409,420	$ 2,423,617	$ 2,438,305	$ 2,453,499	$ 1,232,610	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Reg Asset	$ -	$ 2,711,913	$ 5,121,332	$ 7,544,950	$ 9,983,255	$ 12,436,754	$ 13,669,364	$ 13,669,364	$ 13,669,364	$ 13,669,364	$ 13,669,364	$ 13,669,364	$ 13,669,364	$ 13,669,364	$ 13,669,364
Reg Asset Amort.															
Amort. Expense	$ -	$ -	$ -	$ -	$ -	$ (1,363,380)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,379)
True-Up to Actual (Gain/Loss)	$ -	$ -	$ -	$ -	$ (261,445)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 225,888
Net Accum Amort	$ -	$ -	$ -	$ -	$ (261,445)	$ (1,624,825)	$ (2,988,206)	$ (4,351,587)	$ (5,714,968)	$ (7,078,349)	$ (8,441,730)	$ (9,805,111)	$ (11,168,492)	$ (12,531,873)	$ (13,669,364)
Total Assets	$ 22,410,646	$ 19,682,896	$ 18,320,986	$ 16,973,274	$ 15,378,804	$ 12,697,593	$ 10,681,158	$ 9,317,777	$ 7,954,396	$ 6,591,015	$ 5,227,634	$ 3,864,253	$ 2,500,872	$ 1,137,491	$ 0
ARO Liability Beg of Yr-Ash	10060139	$ 10,089,062	$ 9,833,879	$ 8,952,604	$ 4,518,918	$ (420,795)	$ (143,363)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cash Flow Revisions	$ -	$ (603,256)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Accretion	$ 28,923	$ 348,073	$ 242,486	$ 253,742	$ 265,386	$ 277,432	$ 143,363	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actual Project Costs	$ -	$ -	$ (1,123,760)	$ (4,687,428)	$ (4,055,005)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gain/loss on Settlement	$ -	$ -	$ -	$ -	$ (1,150,094)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
ARO Liability End of Yr	$ 10,089,062	$ 9,833,879	$ 8,952,604	$ 4,518,918	$ (420,795)	$ (143,363)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
ARO Liability Beg of Yr-Reclaim	$ 12,690,062	$ 12,726,546	$ 12,403,868	$ 12,709,717	$ 13,029,764	$ (530,754)	$ (180,825)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cash Flow Revisions	$ -	$ (761,744)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accretion	$ 36,484	$ 439,066	$ 305,849	$ 320,047	$ 334,734	$ 349,929	$ 180,825	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actual Project Costs	$ -	$ -	$ -	$ -	$ (13,633,807)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gain/loss on Settlement	$ -	$ -	$ -	$ -	$ (261,445)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
ARO Liability End of Yr	$ 12,726,546	$ 12,403,868	$ 12,709,717	$ 13,029,764	$ (530,754)	$ (180,825)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Liabilities	$ 22,815,608	$ 22,237,746	$ 21,662,321	$ 17,548,682	$ (951,549)	$ (324,188)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

ARO Example Regulatory Asset Treatment--Impact as Ordered

	Aggregate	Ash Hauling	Reclamation
ARO Estimate	$22,290,000	$9,857,000	$12,433,000
ARO Est. Date	12/31/2014	12/31/2014	12/31/2014
Retirement Date	6/30/2019	6/30/2019	6/30/2019
ARO Est. at 2019	$24,911,539	$11,016,287	$13,895,252
Project Inception	2015	2015	2015
Project Duration	3 Years	3 Years	3 Years
Project Cost	$23,500,000	$9,866,193	$13,633,807
Approved Recovery through ES			

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Income Statement Cumulative Totals
Income Statement																
Revenue - ES			$ 1,123,760	$ 4,687,428	$ 4,055,005	$ 1,363,380	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,379	$ 23,500,000
ARO Depreciation-Ash	$ 150,151	$ 1,801,816	$ 1,667,759	$ 1,667,759	$ 1,667,759	$ 1,667,759	$ 833,880	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,456,883
ARO Accretion-Ash	$ 28,923	$ 348,073	$ 242,486	$ 253,742	$ 265,386	$ 277,432	$ 143,363	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,559,404
ARO Depreciation-Reclaim	$ 189,404	$ 2,272,847	$ 2,103,570	$ 2,103,570	$ 2,103,570	$ 2,103,570	$ 1,051,785	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,928,318
ARO Accretion-Reclaim	$ 36,484	$ 439,066	$ 305,849	$ 320,047	$ 334,734	$ 349,929	$ 180,825	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,966,934
Total ARO Expenses	$ 404,962	$ 4,861,801	$ 4,319,664	$ 4,345,118	$ 4,371,450	$ 4,398,690	$ 2,209,853	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,911,539
ARO to Reg Asset	$ -	$ (2,711,913)	$ (2,409,420)	$ (2,423,617)	$ (2,438,305)	$ (2,453,499)	$ (1,232,610)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (13,669,364)
Net ARO Expenses	$ 404,962	$ 2,149,889	$ 1,910,245	$ 1,921,501	$ 1,933,145	$ 1,945,191	$ 977,242	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,242,175
Reg. Assset True-up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (225,888)	$ (225,888)
Gain/Loss on Settlement-Ash	$ -	$ -	$ -	$ -	$ 1,150,094	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,150,094
Reg Asset Amortization	$ -	$ -	$ -	$ -		$ 1,363,380	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,379	$ 13,633,807
Margin Impact	**$ (404,962)**	**$ (2,149,889)**	**$ (786,485)**	**$ 2,765,927**	**$ 3,271,954**	**$ (1,945,191)**	**$ (977,242)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 225,888**	**$ 0**
Actual Project Costs			$ 1,123,760	$ 4,687,428	$ 17,688,812											

ARO Example Regulatory Asset Treatment--Impact as Proposed in Re-Hearing

	Aggregate	Ash Hauling	Reclamation
ARO Estimate	$22,290,000	$9,857,000	$12,433,000
ARO Est. Date	12/31/2014	12/31/2014	12/31/2014
Retirement Date	6/30/2019	6/30/2019	6/30/2019
ARO Est. at 2019	$24,911,539	$11,016,287	$13,895,252
Project Inception	2015	2015	2015
Project Duration	3 Years	3 Years	3 Years
Project Cost	$23,500,000	$9,866,193	$13,633,807
Approved Recovery through ES			

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Balance Sheet															
Beg. Net ARO Asset-Ash	$ 10,060,139	$ 9,909,988	$ 7,504,916	$ 5,837,157	$ 4,169,398	$ 2,501,639	$ 833,880	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)
Cash flow revision	$ -	$ (603,256)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Depreciation	$ 150,151	$ 1,801,816	$ 1,667,759	$ 1,667,759	$ 1,667,759	$ 1,667,759	$ 833,880	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Ending Net ARO Asset-Ash	$ 9,909,988	$ 7,504,916	$ 5,837,157	$ 4,169,398	$ 2,501,639	$ 833,880	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)
Beg. Net ARO Asset-Reclaim	$ 12,690,062	$ 12,500,658	$ 9,466,067	$ 7,362,496	$ 5,258,926	$ 3,155,356	$ 1,051,785	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cash flow revision	$ -	$ (761,744)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Depreciation	$ 189,404	$ 2,272,847	$ 2,103,570	$ 2,103,570	$ 2,103,570	$ 2,103,570	$ 1,051,785	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Ending Net ARO Asset-Reclaim	$ 12,500,658	$ 9,466,067	$ 7,362,496	$ 5,258,926	$ 3,155,356	$ 1,051,785	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Ending Net ARO Assets	$ 22,410,646	$ 16,970,983	$ 13,199,653	$ 9,428,324	$ 5,656,994	$ 1,885,665	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Regulatory Asset-Total ARO															
ARO expense transfer	$ -	$ 2,711,913	$ 4,319,664	$ 4,345,118	$ 4,371,450	$ 4,398,690	$ 2,209,853	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
True-Up Proposed Rehearing			$ 2,149,889												
Total Reg Asset	$ -	$ 2,711,913	$ 9,181,466	$ 13,526,584	$ 17,898,034	$ 22,296,724	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577	$ 24,506,577
Reg Asset Amort.															
Amort. Expense	$ -	$ -	$ (1,123,760)	$ (4,687,428)	$ (4,055,005)	$ (1,363,380)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,381)	$ (1,363,379)
True-Up to Actual (Gain/Loss)	$ -	$ -	$ -	$ -	$ (1,411,539)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 404,962
Net Accum Amort.	$ -	$ -	$ (1,123,760)	$ (5,811,188)	$ (11,277,732)	$ (12,641,112)	$ (14,004,493)	$ (15,367,874)	$ (16,731,255)	$ (18,094,636)	$ (19,458,017)	$ (20,821,398)	$ (22,184,779)	$ (23,548,160)	$ (24,506,577)
Total Assets	$ 22,410,646	$ 19,682,896	$ 21,257,359	$ 17,143,720	$ 12,277,297	$ 11,541,277	$ 10,502,084	$ 9,138,703	$ 7,775,322	$ 6,411,941	$ 5,048,560	$ 3,685,179	$ 2,321,798	$ 958,417	$ 0
ARO Liability Beg of Yr-Ash	10060139	$ 10,089,062	$ 9,833,879	$ 8,952,604	$ 4,518,918	$ (420,795)	$ (143,363)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cash Flow Revisions	$ -	$ (603,256)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Accretion	$ 28,923	$ 348,073	$ 242,486	$ 253,742	$ 265,386	$ 277,432	$ 143,363	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actual Project Costs			$ (1,123,760)	$ (4,687,428)	$ (4,055,005)										
Gain/loss on Settlement					$ (1,150,094)										
ARO Liability End of Yr	$ 10,089,062	$ 9,833,879	$ 8,952,604	$ 4,518,918	$ (420,795)	$ (143,363)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
ARO Liability Beg of Yr-Reclaim	$ 12,690,062	$ 12,726,546	$ 12,403,868	$ 12,709,717	$ 13,029,764	$ (530,754)	$ (180,825)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cash Flow Revisions	$ -	$ (761,744)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Accretion	$ 36,484	$ 439,066	$ 305,849	$ 320,047	$ 334,734	$ 349,929	$ 180,825	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actual Project Costs			$ -	$ -	$ (13,633,807)										
Gain/loss on Settlement					$ (261,445)										
ARO Liability End of Yr	$ 12,726,546	$ 12,403,868	$ 12,709,717	$ 13,029,764	$ (530,754)	$ (180,825)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Liabilities	$ 22,815,608	$ 22,237,746	$ 21,662,321	$ 17,548,682	$ (951,549)	$ (324,188)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

ARO Example Regulatory Asset Treatment--Impact as Proposed in Re-Hearing

	Aggregate	Ash Hauling	Reclamation
ARO Estimate	$22,290,000	$9,857,000	$12,433,000
ARO Est. Date	12/31/2014	12/31/2014	12/31/2014
Retirement Date	6/30/2019	6/30/2019	6/30/2019
ARO Est. at 2019	$24,911,539	$11,016,287	$13,895,252
Project Inception	2015	2015	2015
Project Duration	3 Years	3 Years	3 Years
Project Cost	$23,500,000	$9,866,193	$13,633,807
Approved Recovery through ES			

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Income Statement Cumulative Totals
Income Statement																
Revenue - ES			$ 1,123,760	$ 4,687,428	$ 4,055,005	$ 1,363,380	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,379	$ 23,500,000
ARO Depreciation-Ash	$ 150,151	$ 1,801,816	$ 1,667,759	$ 1,667,759	$ 1,667,759	$ 1,667,759	$ 833,880	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,456,883
ARO Accretion-Ash	$ 28,923	$ 348,073	$ 242,486	$ 253,742	$ 265,386	$ 277,432	$ 143,363	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,559,404
ARO Depreciation-Reclaim	$ 189,404	$ 2,272,847	$ 2,103,570	$ 2,103,570	$ 2,103,570	$ 2,103,570	$ 1,051,785	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,928,318
ARO Accretion-Reclaim	$ 36,484	$ 439,066	$ 305,849	$ 320,047	$ 334,734	$ 349,929	$ 180,825	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,966,934
Total ARO Expenses	$ 404,962	$ 4,861,801	$ 4,319,664	$ 4,345,118	$ 4,371,450	$ 4,398,690	$ 2,209,853	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,911,539
ARO to Reg Asset	$ -	$ (2,711,913)	$ (4,319,664)	$ (4,345,118)	$ (4,371,450)	$ (4,398,690)	$ (2,209,853)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (22,356,689)
Net ARO Expenses	$ 404,962	$ 2,149,889	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,554,851
Reg. Assset True-up	$ -	$ -	$ (2,149,889)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (404,962)	$ (2,554,851)
Gain/Loss on Settlement-Ash					$ -											$ -
Reg Asset Amortization	$ -	$ -	$ 1,123,760	$ 4,687,428	$ 4,055,005	$ 1,363,380	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,381	$ 1,363,379	$ 23,500,000
Margin Impact	**$ (404,962)**	**$ (2,149,889)**	**$ 2,149,889**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 404,962**	**$ 0**
Actual Project Costs			$ 1,123,760	$ 4,687,428	$ 17,688,812											