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March 29, 2019

VIA HAND DELIVERY

Ms. Gwen Pinson
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

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PUBLIC SERVICE
COMMISSION

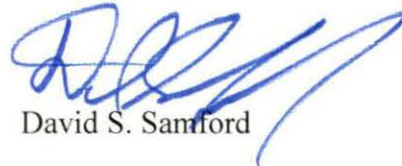
RE: Annual Report for Case No. 2014-00432 and Case No. 2018-00027

Dear Ms. Pinson:

Enclosed, please find for filing with the Commission the information required to be filed by East Kentucky Power Cooperative, Inc. regarding the summary of annual asset retirement obligation activity pursuant to ordering paragraph 4 of the Commission's March 6, 2015, Order in Case No. 2014-00432 - *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 Expenses*, and ordering paragraph 5 of the Commission's March 8, 2018, Order in Case No. 2018-00027 - *The Application Of East Kentucky Power Cooperative, Inc. For An Order Approving The Establishment Of A Regulatory Asset For The Depreciation And Accretion Expenses Associated With The Smith Station Landfill Asset Retirement Obligations*.

Please let me know if you have any questions.

Sincerely,



David S. Samford

Enc.

EAST KENTUCKY POWER COOPERATIVE, INC.
SUMMARY OF ASSET RETIREMENT OBLIGATION ACTIVITY
IN ACCORDANCE WITH PSC CASE NOS. 2014-00432 AND 2018-00027

	<u>Asbestos</u>			<u>Ash</u>						<u>Grand Totals</u>
	<u>Dale</u>	<u>Cooper</u>	<u>Total Asbestos</u>	<u>Dale Pond</u>	<u>Cooper Landfill</u>	<u>Spurlock Pond</u>	<u>Spurlock Landfill</u>	<u>Smith Landfill</u>	<u>Total Ash</u>	<u>All AROs Granted Regulatory Asset Treatment</u>
Balance- December 31, 2017	7,390,514	303,661	7,694,175	(1,299,228)	4,101,033	35,186,265	9,378,390	1,248,227 ⁵	48,614,687	56,308,862
Liabilities Incurred	-	-	-	-	-	-	-	-	-	-
Liabilities Settled	(1,275,446) ¹	-	(1,275,446)	1,299,228 ^{2,4}	-	-	-	-	1,299,228	23,782
Cash Flow Revisions	-	2,413,186 ³	2,413,186	-	-	-	-	-	-	2,413,186
Accretion	171,141	10,628	181,769	-	121,272	820,100	353,657	57,543	1,352,572	1,534,341
Balance- December 31, 2018	<u>6,286,209</u>	<u>2,727,475</u>	<u>9,013,684</u>	<u>-</u>	<u>4,222,305</u>	<u>36,006,365</u>	<u>9,732,047</u>	<u>1,305,770</u>	<u>51,266,487</u>	<u>60,280,171</u>

1 Represents costs incurred to remove asbestos at Dale Station

2 Represents costs incurred on ash hauling and reclamation projects

3 Represents update to an asbestos removal estimate based upon new study

4 Includes the clearing of \$1,672,399 of costs in excess of the accreted ARO to the respective regulatory asset accounts as part of the final settlement of the ARO

5 On March 8, 2018, the Public Service Commission authorized regulatory asset treatment of Smith Landfill accretion and depreciation for 2017 and subsequent years in Case No. 2018-00027