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MAR 31 2016

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March 31, 2016

VIA HAND DELIVERY

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

Dear Executive Director:

Enclosed, please find an original and ten copies of 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.*

Please let me know if you have any questions.

Sincerely,



Mark David Goss

Enc.

**EAST KENTUCKY POWER COOPERATIVE, INC.
SUMMARY OF ASSET RETIREMENT OBLIGATION ACTIVITY
IN ACCORDANCE WITH PSC CASE NO. 2014-00432**

	Asbestos			Ash				Grand Totals	
	Dale	Cooper	Total Asbestos	Dale Pond	Cooper Landfill	Spurlock Pond	Spurlock Landfill	Total Ash	All AROs
Balance- December 31, 2014	4,954,290	273,885	5,228,175	22,237,746	1,767,959	1,312,795	2,716,417	28,034,917	33,263,092
Liabilities Incurred	-	-	-	-	-	-	-	-	-
Liabilities Settled	-	-	-	(4,740,076) ¹	-	-	-	(4,740,076)	(4,740,076)
Cash Flow Revisions	-	-	-	1,040,019 ²	-	25,698,344 ³	234,919 ⁴	26,973,282	26,973,282
Accretion	<u>94,117</u>	<u>9,586</u>	<u>103,703</u>	<u>548,335</u>	<u>85,569</u>	<u>61,045</u>	<u>112,731</u>	<u>807,680</u>	<u>911,383</u>
Balance- December 31, 2015	<u>5,048,407</u>	<u>283,471</u>	<u>5,331,878</u>	<u>19,086,024</u>	<u>1,853,528</u>	<u>27,072,184</u>	<u>3,064,067</u>	<u>51,075,803</u>	<u>56,407,681</u>

¹ Represents costs incurred to date on ash hauling and reclamation project

² Represents accelerated timing of ARO to coincide with approved project estimated completion date

³ Represents new closure estimate and timing to comply with coal combustion residuals (CCR) rule published on April 17, 2015

⁴ Represents updated cost estimate and timing due to expansion of landfill