

**Goss
Samford**

ATTORNEYS AT LAW | PLLC

David S. Samford
david@gosssamfordlaw.com
(859) 368-7740

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VIA HAND DELIVERY

Ms. Talina Mathews, Ph.D.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

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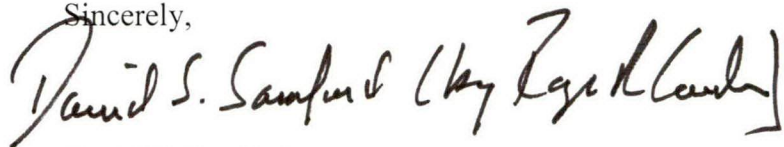
PUBLIC SERVICE
COMMISSION

Dear Dr. Mathews:

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.*

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 NO. 2014-00432

	<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>Total Ash</u>	<u>All AROs Granted Regulatory Asset Treatment</u>
Balance- December 31, 2015	5,048,407	283,471	5,331,878	19,086,024	1,853,528	27,072,184	3,064,067	51,075,803	56,407,681
Liabilities Incurred	-	-	-	-	-	-	-	-	-
Liabilities Settled	-	-	-	(11,065,518) ¹	-	-	(1,868,311) ²	(12,933,829)	(12,933,829)
Cash Flow Revisions	2,079,083 ³	-	2,079,083	-	1,885,099 ^{5,6}	8,062,281 ⁴	5,316,864 ^{5,6}	15,264,244	17,343,327
Accretion	97,323	9,921	107,244	75,473	89,711	1,093,804	97,658	1,356,646	1,463,890
Balance- December 31, 2016	<u>7,224,813</u>	<u>293,392</u>	<u>7,518,205</u>	<u>8,095,979</u>	<u>3,828,338</u>	<u>36,228,269</u>	<u>6,610,278</u>	<u>54,762,864</u>	<u>62,281,069</u>

¹ Represents costs incurred on ash hauling and reclamation project

² Represents costs incurred on capping activities

³ Represents updated cost estimate

⁴ Represents updated closure estimate and timing to comply with coal combustion residuals (CCR) rule

⁵ Includes updated cost estimate due to expansion of landfill

⁶ Includes updated closure and 30 year postclosure cost estimates to comply with coal combustion residuals (CCR) rule