PGL - AMRP Cost Investigation 2016

Pre-Acquisition Path Case: 2030 $9.41 Billion

Calculation of Revenue Requirement

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Year	Construction	Total Plant Additions	Cum Plant Additions	Depreciation Expense	Accumulated Depreciation	Accumulated Def. Taxes	Incremental Rate Base	Pre-Tax Return on Rate Base	Net Revenue Requirement
2011	$ 90,705,014	$ 90,705,014	$ 90,705,014	$ 1,405,928	$ 1,405,928	$ (35,753,568)	$ 8,193,011	$ 787,348	$ 2,193,276
2012	228,503,295	228,503,295	319,208,309	6,353,657	7,759,584	(80,669,169)	116,527,909	11,198,332	17,551,989
2013	192,072,938	192,072,938	511,281,247	12,872,588	20,632,172	(118,710,504)	275,902,102	26,514,192	39,386,780
2014	189,230,061	189,230,061	700,511,308	18,782,785	39,414,957	(156,322,907)	410,158,413	39,416,224	58,199,008
2015	231,488,692	231,488,692	932,000,000	25,303,925	64,718,882	(202,398,947)	549,137,825	52,772,145	78,076,070
2016	387,000,000	387,000,000	1,319,000,000	34,890,500	99,609,382	(279,671,546)	746,219,072	71,711,653	106,602,153
2017	414,000,000	414,000,000	1,733,000,000	47,306,000	146,915,382	(362,359,084)	1,016,725,534	97,707,324	145,013,324
2018	445,000,000	445,000,000	2,178,000,000	60,620,500	207,535,882	(433,815,046)	1,314,149,072	126,289,726	186,910,226
2019	495,000,000	495,000,000	2,673,000,000	75,190,500	282,726,382	(495,003,306)	1,647,770,312	158,350,727	233,541,227
2020	514,000,000	514,000,000	3,187,000,000	90,830,000	373,556,382	(501,133,131)	2,055,310,487	197,515,338	288,345,338
2021	547,000,000	547,000,000	3,734,000,000	107,275,500	480,831,882	(513,681,612)	2,465,986,505	236,981,303	344,256,803
2022	555,000,000	555,000,000	4,289,000,000	124,356,500	605,188,382	(532,161,845)	2,874,149,773	276,205,793	400,562,293
2023	579,000,000	579,000,000	4,868,000,000	141,933,500	747,121,882	(556,048,254)	3,275,329,863	314,759,200	456,692,700
2024	593,000,000	593,000,000	5,461,000,000	160,099,500	907,221,382	(584,984,333)	3,672,294,285	352,907,481	513,006,981
2025	605,000,000	605,000,000	6,066,000,000	178,668,500	1,085,889,882	(618,548,628)	4,059,061,490	390,075,809	568,744,309
2026	627,000,000	627,000,000	6,693,000,000	197,764,500	1,283,654,382	(656,480,826)	4,439,364,791	426,622,956	624,387,456
2027	658,000,000	658,000,000	7,351,000,000	217,682,000	1,501,336,382	(698,792,716)	4,821,870,902	463,381,794	681,063,794
2028	690,000,000	690,000,000	8,041,000,000	238,576,000	1,739,912,382	(745,764,752)	5,210,322,866	500,712,027	739,288,027
2029	712,000,000	712,000,000	8,753,000,000	260,307,000	2,000,219,382	(797,619,899)	5,599,160,719	538,079,345	798,386,345
2030	658,000,000	658,000,000	9,411,000,000	281,542,000	2,281,761,382	(853,800,415)	5,946,438,203	571,452,711	852,994,711
2031			9,411,000,000	291,741,000	2,573,502,382	(907,841,864)	5,929,655,753	569,839,918	861,580,918
2032			9,411,000,000	291,741,000	2,865,243,382	(953,573,838)	5,592,182,780	537,408,765	829,149,765
2033			9,411,000,000	291,741,000	3,156,984,382	(991,493,699)	5,262,521,919	505,728,356	797,469,356
2034			9,411,000,000	291,741,000	3,448,725,382	(1,023,055,715)	4,939,218,903	474,658,937	766,399,937
2035			9,411,000,000	291,741,000	3,740,466,382	(1,049,308,816)	4,621,224,801	444,099,703	735,840,703
2036			9,411,000,000	291,741,000	4,032,207,382	(1,070,543,814)	4,308,248,803	414,022,710	705,763,710
2037			9,411,000,000	291,741,000	4,323,948,382	(1,087,064,871)	3,999,986,747	384,398,726	676,139,726
2038			9,411,000,000	291,741,000	4,615,689,382	(1,099,193,055)	3,696,117,562	355,196,898	646,937,898
2039			9,411,000,000	291,741,000	4,907,430,382	(1,105,840,406)	3,397,729,211	326,521,777	618,262,777
2040			9,411,000,000	291,741,000	5,199,171,382	(1,104,803,506)	3,107,025,111	298,585,113	590,326,113
2041			9,411,000,000	291,741,000	5,490,912,382	(1,094,289,159)	2,825,798,459	271,559,232	563,300,232
2042			9,411,000,000	291,741,000	5,782,653,382	(1,073,933,500)	2,554,413,118	245,479,101	537,220,101
2043			9,411,000,000	291,741,000	6,074,394,382	(1,043,448,354)	2,293,157,264	220,372,413	512,113,413
2044			9,411,000,000	291,741,000	6,366,135,382	(1,002,496,719)	2,042,367,899	196,271,555	488,012,555
2045			9,411,000,000	291,741,000	6,657,876,382	(950,843,976)	1,802,279,642	173,199,074	464,940,074
2046			9,411,000,000	291,741,000	6,949,617,382	(888,188,842)	1,573,193,776	151,183,922	442,924,922
2047			9,411,000,000	291,741,000	7,241,358,382	(814,055,562)	1,355,586,056	130,271,820	422,012,820
2048			9,411,000,000	291,741,000	7,533,099,382	(727,883,848)	1,150,016,769	110,516,612	402,257,612
2049			9,411,000,000	291,741,000	7,824,840,382	(629,189,017)	956,970,600	91,964,875	383,705,875
2050			9,411,000,000	291,741,000	8,116,581,382	(518,259,326)	776,159,292	74,588,908	366,329,908
2051			9,411,000,000	291,741,000	8,408,322,382	(401,452,065)	601,225,553	57,777,776	349,518,776
2052			9,411,000,000	291,741,000	8,700,063,382	(284,644,803)	426,291,815	40,966,643	332,707,643
2053			9,411,000,000	291,741,000	8,991,804,382	(167,837,541)	251,358,076	24,155,511	315,896,511
2054			9,411,000,000	291,741,000	9,283,545,382	(51,030,280)	76,424,338	7,344,379	299,085,379
2055			9,411,000,000	127,454,618	9,411,000,000	(0)	(0)	(0)	127,454,618
2056			9,411,000,000	-	9,411,000,000	(0)	(0)	(0)	(0)
2057			9,411,000,000		9,411,000,000	(0)	(0)	(0)	(0)
2058			9,411,000,000		9,411,000,000	-		-	-
2059			9,411,000,000		9,411,000,000	-		-	-
Total	$ 9,411,000,000	$ 9,411,000,000		$ 9,411,000,000				$ 10,959,554,152	**$ 20,370,554,152**

Source:

Column (b) JA DR ENG 1.01, ENG 1.02, JA Ex. 4.1 p.3 and JA DR AG-4.05 Attach. 01 in Docket 14-0496 for 2011-2013. For 2014 based on 2014 QIP Filing.
For 2015 estimated to meet $932 million estimated by PGL - Burns & McDonnell report of November 30, 2015. 2016-2030 per B&M report.
Column (c) . Same as column (b)
Column (e): 3.10% Depreciation rate from AG Exh 2.5WP3.
Column (g): AG Sch 2.5WP1.
Column (i): Pre-Tax Cost of Capital 9.61% Docket 16-0376 PGL Exhibit 1.3