

Calculation of Regulatory Asset

Existing Electric Meters		Balance Sheet
Plant Balance 12/31/2015		27,107,217
Accum Deprec. 12/31/2015		<u>(6,238,217)</u>
Net Plant Balance 12/31/2015		20,869,000
2016 Record Depreciation of Meters ¹		<u>(918,000)</u>
Balance 12/31/2016		19,951,000
2017 Record Depreciation of Meters ¹		<u>(833,933)</u>
Balance 12/31/2017		19,117,067
2018 Record Depreciation of Meters ¹		<u>(459,927)</u>
Balance 12/31/2018		18,657,140
2019 Record Depreciation of Meters ¹		<u>(96,029)</u>
Balance 12/31/2019		18,561,111
2020 Record Depreciation of Meters ¹		<u>(10,568)</u>
Balance 12/31/2020		18,550,544
		Creation of Regulatory Asset 1st Quarter 2016²

¹ Assumes replacement program based on percentage retired as shown below.

² \$18.6 million would also be the amount of the required write-off without Commission approval to create a regulatory asset.

Planned Retirement Schedule of Existing Meters¹

Plant Balance 12/31/2015		\$	27,107,217
	<u>% Retired</u>		
Meters Retired in 2017	18.50%		(5,014,835)
Meters Retired in 2018	62.90%		(17,050,439)
Meters Retired in 2019	16.30%		(4,418,476)
Meters Retired in 2020	2.30%		<u>(623,466)</u>
	100.00%	\$	-