DOT EXAMPLE

Investment	3,000,000.00
Life (Yrs.)	3
Removal (percentage of original costs)	10%
Current Filed Weighted Average Cost of Capital Grossed Up for Taxes	9.84%

Balance Sheet

Cash		
	3,000,000	(a)
	300,000	(f)
	3,300,000	

	PIS		
(a)	3,000,000	3,000,000	(e)
	-		

	Accumulated Reserve		
(e)	3,000,000	1,100,000	(b)
(f)	300,000	1,100,000	(c)
		1,100,000	(d)
		-	

Income Statement

	Depreciation Expense
(b)	1,100,000
(c)	1,100,000
(d)	1,100,000

(a) Investment is made in GRAM in 2022
(b) Year 1 depreciation expense in GRAM
(c) Year 2 depreciation expense in GRAM
(d) Year 3 depreciation expense in GRAM
(e) Asset is retired in GRAM in 2024

(f) Removals are recorded in DOT

Rate Making

	Year 1	Year 2	Year 3	Year 4
GRAM				
Net Plant	1,900,000	800,000	(300,000)	(300,000)
Return on RB - Net Plant	186,938	78,711	(29,517)	(29,517)
Depreciation Expense	1,100,000	1,100,000	1,100,000	0
DOT				
Net Plant	-	-	-	300,000
Return on RB - Net Plant	-	-	-	29,517
Depreciation Expense	-	-	-	-