BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

DIRECT TESTIMONY OF

GREGG N. CLIZER

ON BEHALF OF
KANSAS CITY POWER & LIGHT COMPANY

IN THE MATTER OF THE APPLICATION OF
KANSAS CITY POWER & LIGHT COMPANY
TO MAKE CERTAIN CHANGES IN
ITS CHARGES FOR ELECTRIC SERVICE

DOCKET NO. 12-KCPE-764-RTS

Q: Please state your name and business address.

A: My name is Gregg N. Clizer. My business address is 1200 Main Street, Kansas City, Missouri 64105.

Q: By whom and in what capacity are you employed?

A: I am employed by Kansas City Power & Light Company ("KCP&L" or the "Company") as Senior Manager, Corporate Finance.

Q: What are your responsibilities?

A: My responsibilities include the development, analysis, and implementation of financing plans and a capital structure that allows the Company to maintain continuous access to capital at the lowest overall cost.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to recommend a funding level for the Kansas jurisdictional component of KCP&L's trust fund for the decommissioning of the Wolf Creek Nuclear Generating Station ("Wolf Creek").

Q: Please summarize your recommendation regarding the appropriate funding level for the Kansas jurisdictional component of KCP&L's trust fund for the decommissioning of Wolf Creek.

A: I am recommending that the annual funding level for the Kansas jurisdictional component of KCP&L's trust fund for the decommissioning of Wolf Creek be set at $2,036,230 as shown in attached Schedule GNC-1. This amount is reflected in adjustment CS-37 on the Summary of Adjustments attached to the Direct Testimony of KCP&L witness John P. Weisensee as Schedule JPW-4. This funding level will begin in January 2013 when rates in this case become effective and will continue at the same level through the first quarter of 2045 unless the funding level is changed in a future proceeding before the Kansas Corporation Commission ("KCC" or "Commission"). Wolf Creek's operating license is currently set to expire in 2045.

Q: Before you go into further detail regarding the Wolf Creek funding level, will you please describe your education, experience and employment history?

A: Yes. I graduated from the University of Missouri-Columbia in 1981 with a Bachelor of Science degree in Industrial Engineering. I received a Master of Business Administration degree from the University of Missouri-Kansas City in 1987. I am a registered Professional Engineer in the State of Missouri. I have been employed by KCP&L or its affiliates since 1981 in various roles in the areas of Corporate Planning, Corporate

Modeling, Business Development, Financial Planning and Corporate Budgets as well as my current role in Corporate Finance.

Q: Have you previously testified in a proceeding at the KCC or before any other utility regulatory agency?

A: Yes. I provided testimony to the KCC in Docket No. 09-WCNE-215-GIE, Docket No. 10-KCPE-415-RTS ("415 Docket"), and Docket No. 12-WCNE-136-GIE ("136 Docket"), the current Wolf Creek decommissioning cost docket open before the Commission.[1] I have also provided written testimony to the Missouri Public Service Commission ("MPSC").

Q: Now, returning to the purpose of your testimony will you please explain how your recommended funding level for this rate case compares to the existing funding level?

A: The recommended annual funding level for the Kansas jurisdictional component of KCP&L's decommissioning trust fund of $2,036,230 is identical to the current funding level.

Q: Please outline the assumptions that were used to arrive at the appropriate accrual level.

A: The following factors were considered to determine the appropriate accrual level:

- Decommissioning Cost Estimate;
- Decommissioning Cost Escalation Rate;
- Decommissioning Cost Timing;
- Remaining Life of the Fund;

[1] Docket No. 12-WCNE-136-GIE, *In the Matter of the 2011 Wolf Creek Decommissioning Cost Study as Provided by Wolf Creek Nuclear Operating Corporation on August 31, 2011 in Accordance with the Commission's Order in Docket Number 163,561-U on December 9, 1992*, was filed on August 31, 2011. The parties filed a unanimous Stipulation and Agreement on April 2, 2012 which is currently pending before the Commission.

- KCP&L's Ownership Percentage;
- Kansas Jurisdictional Allocation Factor;
- Trust Fund Investment Mix;
- Trust Fund Management Fees;
- Taxes on Fund Earnings;
- Earnings on Fund Investments;
- Current Trust Fund Balance;
- Accrual Escalation Methodology; and
- IRS Tax Qualification of the Trust.

Each of these items will be addressed in turn below.

Decommissioning Cost Estimate

Q: What is the current dollar decommissioning cost estimate for Wolf Creek and what is the basis for that estimate?

A: As presented in the 136 Docket, the decommissioning cost estimate for Wolf Creek is $630,135,000 in 2011 dollars. This cost estimate is based on a study dated August 2011 performed by TLG Services, Inc. ("TLG"). TLG is a recognized industry leader in the area of nuclear decommissioning cost analysis. The $630,135,000 cost estimate is based on the immediate dismantlement and site restoration alternative for decommissioning. The TLG study was filed with the Commission on August 31, 2011 in the 136 Docket.

Q: Has the Commission previously considered the reasonableness of this cost estimate?

A: No. However, the parties to the 136 Docket filed a unanimous Stipulation and Agreement ("S&A") with the Commission on April 2, 2012 in which all parties agreed

that the cost estimate was reasonable. The S&A is currently pending before the Commission.

Decommissioning Cost Escalation Rate

Q: What decommissioning cost escalation rate are you recommending?

A: I am recommending a cost escalation rate of 2.85% per year to escalate the 2011 decommissioning cost estimate of $630,135,000 from 2011 dollars to the appropriate year dollars for when the decommissioning costs are expected to occur. This is the same escalation rate that I recommended in my Direct Testimony in the 136 Docket and which was agreed to by all parties in that docket and included in the aforementioned S&A presented to the Commission.

Q: What index or formula was the basis for your recommended cost escalation rate?

A: There are a number of indices such as the Consumer Price Index ("CPI") or the Gross Domestic Product ("GDP") Deflator that are often used to measure changes in prices or inflation. Unfortunately, none of these indices specifically relates to inflation in nuclear decommissioning costs. The TLG Wolf Creek decommissioning cost study has identified five main cost drivers (labor cost, equipment and material cost, energy cost, burial cost, and other cost) in the nuclear decommissioning cost estimate. I used a formula based on the allocation of cost to these cost drivers and applied indices appropriate for each cost driver.

Q: Please describe the allocation of cost used in the formula.

A: The TLG decommissioning cost estimate included the following allocation of cost drivers:

$370,528,000	Labor Cost	(58.8%)
$109,356,000	Equipment & Materials Cost	(17.4%)
$ 7,145,000	Energy Cost	(1.1%)
$ 70,855,000	Burial Cost	(11.2%)
$ 72,252,000	Other Costs	(11.5%)

It should be noted that the Energy Cost driver is further allocated between two components, namely, Industrial Electric Power at 58% of total energy cost and Light Fuel Oil at 42% of total energy cost.

Q: What is the source for the indices used for each cost component of your formula?

A: I utilized a long range forecast published by Moody's Analytics as the source for the cost escalation estimates for each of the cost components of the formula except for burial costs. Moody's Analytics is a well-known and respected source of economic forecasts, and its website at www.economy.com contains projections for numerous indices included in the formula. The Moody's Analytics forecast includes projections for future years through 2041. I utilized the compound annual growth rate from 2011 to 2041 as a proxy for the growth rate from 2011 through the decommissioning period. For Labor Cost, I used the Employment Cost Index ("ECI") for total compensation—all civilians and all workers. For the electricity component of the Energy Cost, I used the Producer Price Index ("PPI") for electric power—total. For the fuel oil component of the Energy Cost, I used the PPI for No. 2 fuel oil. For the Equipment and Materials Cost, I used the PPI for all commodities. For the Other Cost, I used the Consumer Price Index ("CPI") for urban customers—all items.

Q: How did you estimate the burial cost escalation rate?

A: Unfortunately, the Moody's Analytics forecast does not include a projection of burial costs. However, the Nuclear Regulatory Commission's *Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities NUREG-1307, Revision 11 and NUREG-1307, Revision 14*, contain some historical indices for burial costs at the Washington and South Carolina low-level waste storage sites. While neither of these storage sites currently accept low-level waste from generators that are not located in the Northwest, Rocky Mountain, or Atlantic Compact states, the historical burial cost indices for these sites can serve as reasonable proxies for future burial cost escalation at other potential future low-level waste storage sites.

Q: Please describe the results of your analysis for the cost escalation formula.

A: For all of the cost components except burial cost I calculated the geometric mean of the Moody's Analytics projections for years 2011 through 2041 and used these geometric means in the formula. As previously noted, Moody's Analytics only provided future projections through the year 2041. For the burial component I calculated the geometric means for years 1995 through 2010 (PWR/Compact/Direct Disposal) for the Washington and South Carolina sites, respectively, and averaged the geometric means for the two sites. The results for the various components of the formula are:

Labor Cost		2.5%
Equipment & Material Cost		1.6%
Energy Cost:	Electricity	1.5%
	Fuel Oil	2.6%
Burial Cost		7.4%

Other Costs 2.2%

The resulting nuclear decommissioning cost escalation estimate calculated by weighting the figures by the allocation of the costs is 2.85%. The calculation is shown below:

Escalation rate = [58.8% * 2.5%]+[17.4% * 1.6%]+[1.1% * ((58% * 1.5%)+(42% * 2.6%))]+ [11.2% * 7.4%]+[11.5% * 2.2%]

Escalation rate = 1.47% + 0.28% + 0.02% + 0.83% + 0.25%

Escalation rate = 2.85%

Q: Has the Commission previously considered the reasonableness of this escalation rate?

A: No. However, as mentioned above, the Commission is set to consider both the decommissioning cost estimate and the escalation rate in the 136 Docket in the very near future—certainly, prior to conclusion of this rate case.

Decommissioning Cost Timing

Q: What is the assumed timing of the future decommissioning costs?

A: Wolf Creek's operating license expires in 2045 and the 2011 TLG Wolf Creek decommissioning study showed a schedule of decommissioning costs beginning in 2045 and continuing through 2053.

Remaining Life of the Fund

Q: What is the remaining life of the trust fund?

A: Accruals for the trust fund will continue until Wolf Creek's operating license expires in 2045. The remaining investments in the fund, however, will continue to generate earnings throughout the decommissioning process until 2053 when decommissioning is complete and all funds are exhausted.

KCP&L's Ownership Percentage

Q: What is KCP&L's ownership percentage in Wolf Creek?

A: KCP&L owns 47% of Wolf Creek.

Kansas Jurisdictional Allocation Factor

Q: What Kansas jurisdictional allocation factor did you use in the determination of the accrual level?

A: I used a Kansas jurisdictional allocation factor of 43.19% in the accrual calculation. The methodology used for calculating the Kansas jurisdictional allocation factor is consistent with the methodology used in previous KCP&L cases involving Wolf Creek decommissioning funding.

Q: What is the basis for the Kansas jurisdictional allocation factor?

A: Because of the unique nature of the decommissioning funding, the appropriate jurisdictional allocation factor is the weighted average of the jurisdictional demand allocation factors applicable to the jurisdiction in question throughout the entire life of Wolf Creek, both historical and future. The jurisdictional demand allocation factor I calculated for 2011 was used as a proxy for the jurisdictional demand allocation factors for the future years from 2012 to 2045.

Trust Fund Investment Mix

Q: What trust fund investment mix did you use in the determination of the accrual level?

A: I used an assumed investment mix of 65% equity and 35% fixed income. The 65% equity allocation is made up of 41% U.S. large company stocks, 9% U.S. small company stocks, and 15% international equities. This mix is consistent with the investment

guidelines agreed to by KCP&L and the fund managers. These investment guidelines, in the view of KCP&L, provide for a portfolio that maintains an appropriate balance between minimizing risk and maximizing return. I have assumed that this investment mix will remain in place until 2025. After 2025, I have gradually shifted the investment mix described above to reduce the equity allocation and increase the allocation to fixed income securities and U.S. Treasury bills ("T-bills") such that, by the start of decommissioning in 2045, the portfolio is assumed to consist of 50% fixed income and 50% T-bills. During the period of decommissioning from 2045 to 2053, I have gradually shifted the investment mix to consist of 100% T-bills. These shifts in the investment mix were intended to provide for a portfolio that minimizes the risk of loss and improves the liquidity of the fund as the need for the decommissioning funds becomes imminent.

Q: Do KCP&L and the fund managers periodically monitor and review the appropriateness of the investment guidelines?

A: Yes, and these reviews will continue to occur as time goes on and circumstances change. For instance, in the past the investment guidelines were altered in order to facilitate the fund's move out of municipal bonds when a change in the tax rate on the fund earnings reduced the relative attractiveness of municipal bonds. Changes were also made to the investment guidelines based on the license extension that was approved for Wolf Creek in 2008.

Trust Fund Management Fees

Q: What are the estimated trust fund management fees?

A: The trust fund management fees consist of an estimated fixed trustee fee of $50,000 per year plus a variable fee of 21 basis points (0.21%) based on the market value of the fixed

income investments and a variable fee of no more than 10 basis points (0.10%) based on the market value of the equity investments.

Taxes on Fund Earnings

Q: What are the assumed taxes on the fund earnings?

A: The treasuries, government bonds, corporate bonds, and corporate equities in the trust fund are subject to Federal tax at a rate of 20% and are not subject to state tax. Any municipal bonds in the trust would be subject to neither Federal nor state taxes.

Earnings on Fund Investments

Q: What trust earnings rate did you assume in the determination of the accrual level?

A: I calculated an assumed trust fund earnings rate at the initial investment mix described above to be 5.60% after the taxes and fees also described above. The components of this calculation are shown below.

	Investment Mix	Return After Fees & Taxes
Large Corporate Equities	41%	7.13%
Small Corporate Equities	9%	7.75%
International Equities	15%	7.16%
Fixed Income Investments	35%	2.58%
U.S. Treasury Bills	0%	0.76%
Total	100%	5.60%

Q: What was the source for your trust fund earnings rate assumptions?

A: I utilized the historical total return data published by Ibbotson Associates titled *Ibbotson SBBI 2012 Classic Yearbook Market Results for Stocks, Bonds, Bills, and Inflation 1926-2011* (the "Ibbotson 2012 Yearbook"), as the source for my analysis of the expected

return for the various investment instruments in the portfolio. Ibbotson Associates is a well-known and respected source for historical investment return data. The Ibbotson 2012 Yearbook contains return data for the years 1926 to 2011. I used historical return data for 1985, the year Wolf Creek was placed in-service, to 2011 as the basis for my expected return calculations. I used the methodology described in Chapter 11 of the Ibbotson 2012 Yearbook to calculate expected returns for the investments in the trust fund. I started with a riskless rate of 3.45% based on the 30-year U.S. Treasury coupon rate as of March 20, 2012. The expected default premium based on the mean difference between historical long-term corporate bonds and long-term government bond total returns between 1985 and 2011 was negative, so I assumed no default premium and used the 3.45% riskless rate as the expected return for long-term fixed income investments. I calculated the expected large corporate equity return of 9.02% by adding a 5.57% equity premium based on the mean difference between large company stock total returns and long-term government bond income returns to the riskless rate of 3.45%. I calculated the expected small corporate equity return of 9.79% by adding a 0.77% small stock premium based on the mean difference between small company stock total returns and large company stock total returns to the expected large corporate equity return of 9.02%. I calculated the expected international equity return of 9.07% by adding a 0.05% international stock premium based on the mean difference between international company stock total returns and large company stock total returns to the expected large corporate equity return of 9.02%. I calculated the expected T-bill return of 1.17% by subtracting an expected long-term horizon premium of 2.28% (based on the mean difference between long-term government bond income returns and T-bill total returns)

from the riskless rate of 3.45%. All of the expected returns were then reduced by the management fees and income taxes to determine the expected net earnings used to determine the accrual level.

Q: How does this method of estimating the trust fund earnings rate differ from the method you used the last time the funding level for the Kansas jurisdictional component of KCP&L's trust fund for the decommissioning of Wolf Creek was addressed?

A: The last time the funding level was addressed was in the 415 Docket. The difference in the methodology utilized in my testimony then versus now is that in the 415 Docket I used all of the historical return data beginning in 1926 instead of using the historical return data beginning with 1985, the year the Wolf Creek plant was placed in-service. I believe the use of more recent historical return data provides a better estimate of expected trust fund earnings in the future.

Q: How does the assumed weighted average earnings rate of 5.60% after taxes and fees compare to the actual earnings rate achieved after taxes and fees over the life of the fund?

A: The assumed earnings rate of 5.60% for Kansas jurisdictional contributions to the trust fund after the payment of taxes and fees is 50 basis points higher than the actual internal rate of return of 5.10% as of December 31, 2011.

Current Trust Fund Balance

Q: What was the Kansas jurisdictional trust fund balance as of December 31, 2011?

A: The market value of the Kansas jurisdictional portion of KCP&L's decommissioning trust fund at December 31, 2011 was $49,577,118 (including $4,186,019 of net

unrealized gains). The balance is $50,076,186, including KCP&L's January 2012 deposit for the fourth-quarter 2011 accruals. Assuming an effective tax rate of 20% on unrealized net gains, the net after-tax market value of the Kansas jurisdictional portion of the trust was $49,248,972 at December 31, 2011.

Accrual Escalation Methodology

Q: What accrual escalation methodology was used in the determination of the accrual level?

A: A level annual amount of funding was assumed.

Q: Was this level funding assumption utilized in the determination of the accrual schedule previously approved by the KCC for KCP&L's Kansas jurisdictional funding?

A: Yes, a level funding assumption was utilized in the determination of the accrual schedules approved by the KCC in both Docket No. 06-KCPE-828-RTS and the 415 Docket.

Q: Is the level funding that you are recommending consistent with the funding methodologies utilized by KCP&L in its Missouri jurisdiction?

A: Yes, KCP&L has previously been authorized by the MPSC to utilize level funding.

IRS Tax Qualification of the Trust

Q: What is meant by the term "tax qualification" as it relates to nuclear decommissioning trust funds?

A: A "tax-qualified" nuclear decommissioning trust fund is a fund that meets certain criteria as defined in Section 468A of the Internal Revenue Code ("Section 468A"). Tax-qualified nuclear decommissioning trust funds are afforded favorable tax treatment as

compared to non-qualified funds. There are two main tax advantages provided by a tax-qualified fund. The first is that contributions made to the trust fund can be treated as current-year tax deductions. The second is that earnings on the investments in the trust fund are taxed at an applicable federal tax rate of 20% as compared to a 35% federal tax rate on earnings in a non-qualified fund.

Q: Did the Energy Policy Act of 2005 ("2005 EPAct") include any modifications to the special rules for nuclear decommissioning and Section 468A?

A: Yes, the 2005 EPAct included a number of modifications to the special rules for nuclear decommissioning. Among the modifications were amendments to Section 468A which governs the tax qualification of nuclear decommissioning trust funds. These amendments are effective for taxable years beginning after December 31, 2005.

Q: What were the requirements for tax qualification under Section 468A prior to the changes resulting from the 2005 EPAct?

A: Prior to the 2005 EPAct, in order to ensure the continued tax qualification of the fund, any change in the funding levels had to be filed with and approved by the Internal Revenue Service ("IRS"). The IRS required a statement in an order of the state commission (a) approving the schedule of decommissioning cost accruals; (b) finding that the decommissioning cost accruals were included in cost of service and were included in rates for ratemaking purposes; and (c) finding that the earnings rate assumed for the trust took into consideration the tax rate change and the removal of the investment restrictions resulting from the Energy Policy Act of 1992.

Q: How have the requirements for tax qualification changed as a result of the changes to Section 468A?

A: There is no longer a cost of service requirement for tax-qualified funds. Previously, deposits into a tax-qualified fund were limited by the amount included in cost of service for ratemaking purposes (so long as that amount was not higher than what the level funding amount would have been). Regarding the allowed level of funding into a tax-qualified fund, the revised Section 468A states only that, "the amount which a taxpayer may pay into the Fund for any taxable year shall not exceed the ruling amount applicable to such taxable year."

Q: What was the rationale for the elimination of the cost of service requirement?

A: The cost of service requirement was primarily eliminated to allow nuclear owners in states that now have deregulated generation to maintain the tax-qualified status of their trust funds in the absence of cost of service-based regulation.

Q: Given the elimination of the cost of service requirement for tax-qualification of the fund, what language would you request that the KCC put in its Order regarding the amount of decommissioning funding in cost of service for ratemaking purposes?

A: KCP&L respectfully requests that the KCC use the same language in the order approving the decommissioning funding level that was required prior to the changes to Section 468A. Use of the prior Section 468A language provides the greatest assurance of continued tax-qualified decommissioning funding.

Q: What factors previously discussed had a significant impact on the change in the recommended annual funding level?

A: As discussed earlier in my testimony, I am recommending that the annual funding level remain the same as it is currently. Although the estimated decommissioning cost increased between 2008 and 2011, the increase was less than projected. The recommended escalation rate has decreased, but this impact is offset by a lower assumed return on trust fund investments. When the revised decommissioning cost estimate is combined with a lower escalation rate assumption and a lower earnings rate assumption, the change in the recommended annual funding requirement is insignificant at less than $3000 per year. Given that small change, KCP&L is recommending that the annual funding accrual remain as currently set.

Q: Does this conclude your testimony?

A: Yes, it does.

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Kansas City Power & Light Company to Make Certain Changes in Its Charges for Electric Service	))))	Docket No.: 12-KCPE- -RTS

AFFIDAVIT OF GREGG N. CLIZER

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

Gregg N. Clizer, being first duly sworn on his oath, states:

1. My name is Gregg N. Clizer. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Senior Manager, Corporate Finance.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas City Power & Light Company consisting of Seventeen (17) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Gregg N. Clizer

Subscribed and sworn before me this 18th day of April, 2012.

Notary Public

My commission expires: Feb. 4, 2015

NICOLE A. WEHRY
Notary Public - Notary Seal
State of Missouri
Commissioned for Jackson County
My Commission Expires: February 04, 2015
Commission Number: 11391200

KANSAS CITY POWER & LIGHT COMPANY
WOLF CREEK DECOMMISSIONING TRUST ANALYSIS
KANSAS JURISDICTION - QUALIFIED TAXABLE TRUST

DECOMMISSIONING COST ASSUMPTIONS

2008 Decom Cost Est	$ 630,135,000
Cost Escalation Rate	2.85%
KCPL Share	47.00%
Future Juris Allocation Factor	45.64%
Wtd Historical/Future Alloc Factor	43.19%

DECOMMISSIONING TRUST FUND EARNINGS ASSUMPTIONS

TRUST FUND MANAGEMENT FEE	
Kansas Avg Fund Bal	170,614,090
Kansas Ann Fixed Fee	22,818
Fixed Fee %	0.01%
FI Fee and Fixed Fee%	0.22%
Equity Fee and Fixed Fee	0.11%

DECOMMISSIONING TRUST FUND CASH FLOWS

NET AFTER-TAX MARKET VALUE		
December 31, 2011 Market Value	49,577,118	
Q4 2011 Outstanding Deposit	509,058	
Market Value Incl OS Deposit		50,086,176
Unrealized Net Gain	4,186,019	
Effective Tax Rate	20.00%	
Tax on Unrealized Net Gain		837,204
Net After-Tax Market Value		49,248,972

Annual Accrual Escalation	0.00%

Year	2011 Wolf Creek Decom Cost	Escalated Wolf Creek Decom Cost	KCPL Kansas Decom Cost
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	51,401,000	133,634,205	27,125,320
2046	116,516,000	311,555,863	63,240,191
2047	134,993,000	371,249,524	75,356,922
2048	92,331,000	261,159,899	53,010,724
2049	75,500,000	219,639,376	44,582,811
2050	68,339,000	204,473,092	41,504,330
2051	39,401,000	121,249,257	24,611,401
2052	31,890,000	100,932,413	20,487,450
2053	19,764,000	64,336,181	13,059,078
	630,135,000	1,788,229,810	362,978,225

	US T-Bills	Fixed Income	Inter-national	Small Stocks	Lrg Corp Stocks	
Pre-tax Returns	1.17%	3.45%	9.07%	9.79%	9.02%	
Effective Tax Rate	20.0%	20.0%	20.0%	20.0%	20.0%	
Earnings After Fees & Taxes	0.76%	2.58%	7.16%	7.75%	7.13%	
Year	Investment Mix					Weighted After-Tax Earnings
2011						
2012	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2013	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2014	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2015	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2016	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2017	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2018	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2019	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2020	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2021	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2022	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2023	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2024	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2025	0.0%	35.0%	15.0%	9.0%	41.0%	5.60%
2026	2.5%	35.8%	14.3%	8.6%	39.0%	5.40%
2027	5.0%	36.5%	13.5%	8.1%	36.9%	5.21%
2028	7.5%	37.3%	12.8%	7.7%	34.9%	5.01%
2029	10.0%	38.0%	12.0%	7.2%	32.8%	4.81%
2030	12.5%	38.8%	11.3%	6.8%	30.8%	4.62%
2031	15.0%	39.5%	10.5%	6.3%	28.7%	4.42%
2032	17.5%	40.3%	9.7%	5.9%	26.7%	4.22%
2033	20.0%	41.0%	9.0%	5.4%	24.6%	4.03%
2034	22.5%	41.8%	8.2%	5.0%	22.6%	3.83%
2035	25.0%	42.5%	7.5%	4.5%	20.5%	3.64%
2036	27.5%	43.3%	6.7%	4.1%	18.5%	3.44%
2037	30.0%	44.0%	6.0%	3.6%	16.4%	3.24%
2038	32.5%	44.8%	5.2%	3.2%	14.4%	3.05%
2039	35.0%	45.5%	4.5%	2.7%	12.3%	2.85%
2040	37.5%	46.3%	3.7%	2.3%	10.3%	2.65%
2041	40.0%	47.0%	3.0%	1.8%	8.2%	2.46%
2042	42.5%	47.8%	2.2%	1.4%	6.1%	2.26%
2043	45.0%	48.5%	1.5%	0.9%	4.1%	2.06%
2044	47.5%	49.3%	0.7%	0.4%	2.0%	1.87%
2045	50.0%	50.0%	0.0%	0.0%	0.0%	1.67%
2046	56.3%	43.8%	0.0%	0.0%	0.0%	1.56%
2047	62.5%	37.5%	0.0%	0.0%	0.0%	1.44%
2048	68.8%	31.3%	0.0%	0.0%	0.0%	1.33%
2049	75.0%	25.0%	0.0%	0.0%	0.0%	1.22%
2050	81.3%	18.8%	0.0%	0.0%	0.0%	1.10%
2051	87.5%	12.5%	0.0%	0.0%	0.0%	0.99%
2052	93.8%	6.3%	0.0%	0.0%	0.0%	0.87%
2053	100.0%	0.0%	0.0%	0.0%	0.0%	0.76%
2025	0.0%	35.0%	15.0%	9.0%	41.0%	100%
	-2.50%	-0.75%	0.75%	0.45%	2.05%	
2045	50.00%	50.00%	0.00%	0.00%	0.00%	100%
	-6.25%	6.25%	0.00%	0.00%	0.00%	
2053	100.00%	0.00%	0.00%	0.00%	0.00%	100%

Year	Trust Fund Accrual	Trust Fund Expenditure	Earnings After Fees & Taxes	Trust Fund Balance
9/30/11				
2011				49,248,972
2012	2,036,230	0	2,799,687	54,084,889
2013	2,036,230	0	3,070,400	59,191,518
2014	2,036,230	0	3,356,267	64,584,015
2015	2,036,230	0	3,658,137	70,278,383
2016	2,036,230	0	3,976,906	76,291,519
2017	2,036,230	0	4,313,520	82,641,269
2018	2,036,230	0	4,668,977	89,346,475
2019	2,036,230	0	5,044,332	96,427,037
2020	2,036,230	0	5,440,699	103,903,967
2021	2,036,230	0	5,859,256	111,799,452
2022	2,036,230	0	6,301,242	120,136,925
2023	2,036,230	0	6,767,971	128,941,126
2024	2,036,230	0	7,260,828	138,238,183
2025	2,036,230	0	7,781,274	148,055,687
2026	2,036,230	0	8,038,747	158,130,664
2027	2,036,230	0	8,271,082	168,437,975
2028	2,036,230	0	8,475,504	178,949,709
2029	2,036,230	0	8,649,301	189,635,240
2030	2,036,230	0	8,789,856	200,461,327
2031	2,036,230	0	8,894,677	211,392,233
2032	2,036,230	0	8,961,425	222,389,888
2033	2,036,230	0	8,987,950	233,414,068
2034	2,036,230	0	8,972,319	244,422,617
2035	2,036,230	0	8,912,842	255,371,688
2036	2,036,230	0	8,808,104	266,216,022
2037	2,036,230	0	8,656,987	276,909,239
2038	2,036,230	0	8,458,695	287,404,164
2039	2,036,230	0	8,212,774	297,653,168
2040	2,036,230	0	7,919,127	307,608,525
2041	2,036,230	0	7,578,030	317,222,785
2042	2,036,230	0	7,190,139	326,449,155
2043	2,036,230	0	6,756,496	335,241,881
2044	2,036,230	0	6,278,530	343,556,641
2045	509,058	(27,125,320)	5,578,371	322,518,750
2046	0	(63,240,191)	4,656,357	263,934,917
2047	0	(75,356,922)	3,404,035	191,982,030
2048	0	(53,010,724)	2,289,671	141,260,978
2049	0	(44,582,811)	1,514,989	98,193,157
2050	0	(41,504,330)	910,970	57,599,796
2051	0	(24,611,401)	478,152	33,466,547
2052	0	(20,487,450)	225,493	13,204,591
2053	0	(13,059,078)	63,186	208,699