

OPTION 1-2

Case: Peninsula with escalation
Location: Peninsula

Governing Assumptions:

Coal Supply 2.8 #
 Marketing No marketing

Increased cost for sinkhole mitigation:
 Base cost in estimate for 6 sinkholes 513,500
 Parsons estimated cost for repair of 1 sinkhole in pond at Gallatin 250,000
 Assume 12 sinkholes repaired at GAF cost *PELA* 3,000,000
 Removal of rock pinnacles (2 acres, 2' out of ground, \$25/yard) *CULTIVATED FIELD* 403,333
 Addition to estimate 2,889,833

Increase cost - off site clay (lack of comprehensive soil investigation on peninsula) *MARREC 3/22/03*
 Base cost for on site clay *2 BARNS, 40 SQUARE* 2,128,285
 Base volume of clay 406,800
 Assume 25% of clay must come from on site source not on the peninsula
 Add \$2.50 per yard cost to load and haul to peninsula 254,250

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	Cash Flows	NPV
2005	4,834,887	
2006	1,024,719	
2007	1,064,683	
2008	15,352,565	
2009	1,361,188	
2010	1,414,274	\$ 18,106,969
2011	1,469,431	
2012	1,528,208	
2013	1,589,336	
2014	1,652,910	
2015	6,456,126	\$ 21,902,027
2016	6,714,371	
2017	3,254,024	
2018	1,785,551	
2019	1,856,973	
2020	1,931,252	
2021	2,008,502	
2022	2,088,842	
2023	2,172,396	
2024	2,259,292	
2025	2,349,663	
2026	2,443,650	
2027	2,541,396	
2028	2,643,052	
2029	2,748,774	\$ 26,079,479

