

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

THE APPLICATION OF KENTUCKY POWER)
COMPANY FOR INSTRUCTIONS TO ACCOUNT)
FOR THE CREDITS RESULTING FROM THE)
PRACTICE OF DEFERRED TAX ACCOUNTING)
FOR LIBERALIZED DEPRECIATION AND)
ACCELERATED AMORTIZATION ALLOWANCES) CASE NO. 8035
AS CREDITS TO ACCOUNTS 281 AND 282)
OF THE FEDERAL ENERGY REGULATORY)
COMMISSION'S UNIFORM SYSTEM OF)
ACCOUNTS IN LIEU OF THE ACCOUNTING)
PRESCRIBED IN THE KENTUCKY PUBLIC)
SERVICE COMMISSION'S ORDER IN CASE)
NOS. 2517 AND 2989, DATED FEBRUARY)
26, 1953, AND AUGUST 16, 1955,)
RESPECTIVELY.)

O R D E R

On November 14, 1980, Kentucky Power Company filed an Application with this Commission requesting approval to make an accounting reclassification to reclassify accumulated deferred income taxes. At the Commission's direction in Case No's 2517 and 2989, the Company has been recording the accumulated deferred income taxes resulting from accelerated amortization and liberalized depreciation in Account 216, Unappropriated Retained Earnings. The Company has requested authorization to reclassify this balance related to accumulated deferred taxes from Account 216 to Account 281, Accumulated Deferred Income Taxes - Accelerated Amortization Property and Account 282, Accumulated Deferred Income Taxes - Other Property.

The Commission after review of the matter and being advised is of the opinion and FINDS:

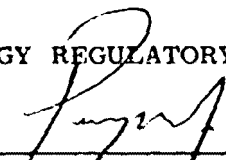
- (1) That a hearing in this matter is not necessary.
- (2) That the accounting reclassification described above is proper and consistent with the Federal Energy Regulatory Commission's Uniform System of Accounts adopted by this Commission.

IT IS THEREFORE ORDERED, that Kentucky Power Company is authorized to reclassify the accumulated deferred income taxes from Account 216, Unappropriated Retained Earning to Account 281, Accumulated Deferred Income Taxes - Accelerated Amortization Property and Account 282, Accumulated Deferred Income Taxes - Other Property.

IT IS FURTHER ORDERED that this order cancels the prescribed accounting treatment of accumulated deferred income taxes set out in the previous orders in Case No's 2517 and 2989.

Done at Frankfort, Kentucky, this 25th day of November, 1980.


ENERGY REGULATORY COMMISSION



Chairman



Vice Chairman



Commissioner

ATTEST:

Secretary