

Report ID: GLC7501

**AEP Financials** 

## JOURNAL ENTRY DETAIL REPORT

Page No. Run Date

Run Time

3/2/2016 9:22:06AM

Unit:

117 / OAABS2RESV Journal ID:

Date: Journal status 2/29/2016

Description:

To reclassify the NBV of Big Sandy SCR to a Regulatory Asset as a result of the Orders in Kentucky Case Nos 2012-00578 and

2014-00396. /

Ledger Group:

ACTUALS /\_

Source: ONL

Reversal: Reversal Date: Foreign Currency:

Rate Type:

USD / CRRNT

**Effective Date:** Exchange Rate: 2/29/2016 1.00

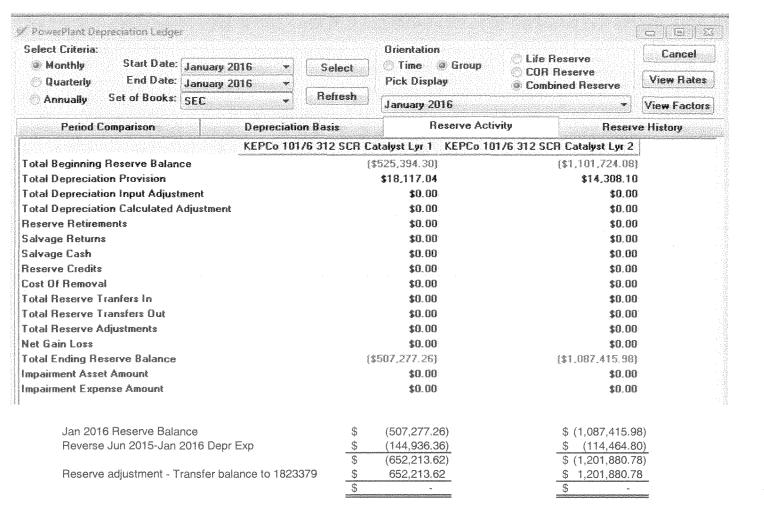
Trans Ref Num:

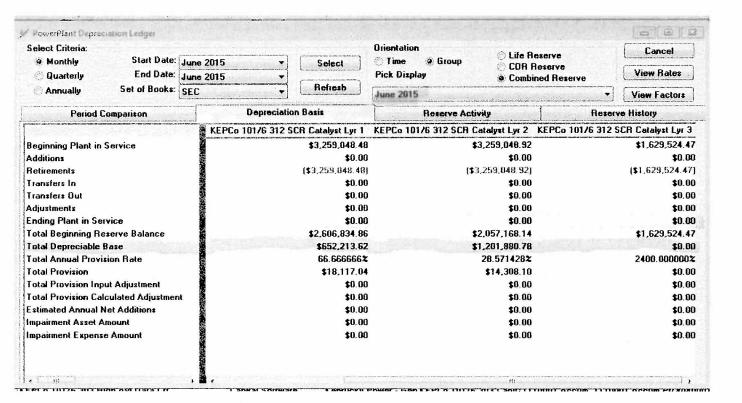
NONREC /

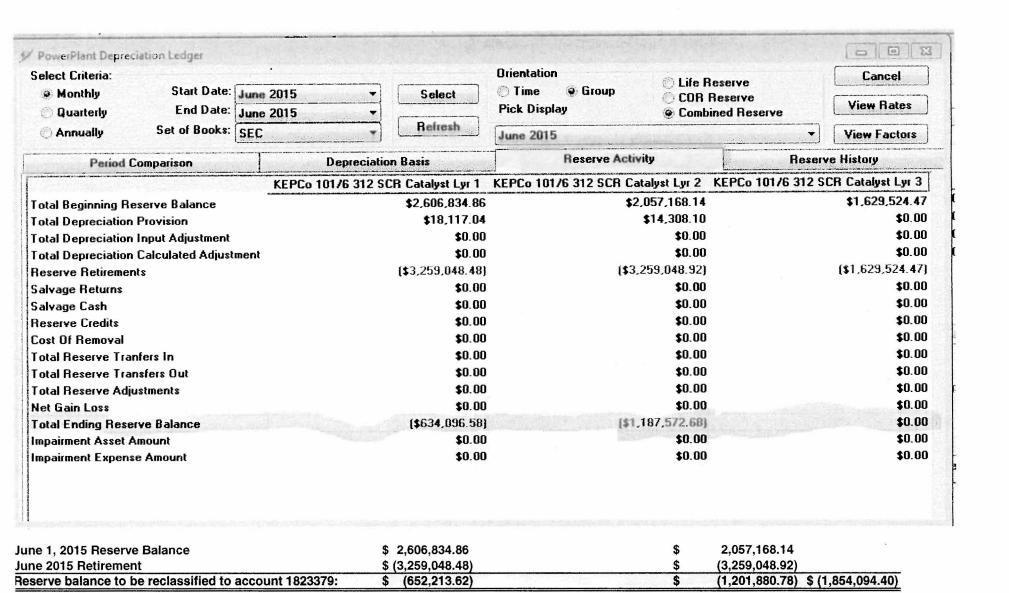
| Line# | Unit | Account | Department | State/Jurisdict | Product | Affiliate | Project Bu | Stat   | Statistics Amt Rate Type | Rate      | Foreign Amount | Base Amount |
|-------|------|---------|------------|-----------------|---------|-----------|------------|--------|--------------------------|-----------|----------------|-------------|
|       |      |         |            |                 |         |           |            | Projec | Work Order               | Cost Comp | ABM Activity   | Sub-Cat     |
|       |      |         |            |                 |         |           |            |        |                          |           |                |             |

| 117 🗸                                      | Total Lines: 2 | Total Base Debits: | 1,854,094.40 | Total Base Credits: | 1,854,094.40      |
|--|----------------|--------------------|--------------|---------------------|-------------------|
| 1 117 / 1110001 99990                      |                | CRRNT              | 1.00000000   | -1,854,094.40 USD   | -1,854,094.40 USD |
| Description: A/P for Amort of Plt          | Reference:     | Open Item Key:     |              |                     |                   |
| 2 117 / 1823379 / 99990 KY //              |                | CRRNT              | 1.00000000   | 1,854,094.40 JUSD   | 1,854,094.40 USD  |
| Description: Unrecovered Plant - Big Sandy | Reference:     | Open Item Key:     |              |                     |                   |

INITIALS DATE PREPARED 5 216 CHECKED TEO 3/2 REVIEWED 3/16







| Accounting Month: February 2016  |  |  |                        |
|--|--|--|------------------------|
| Depreciation Group KEPCo 101/6 312 SCR Catalyst Lyr 1  |  |  | Depr Group ID          |
| Company Kentucky Power - Gen   | and the contract of the contra | ıs Valid   | 20645166               |
| Business Segment Regulated   |  | s Steam Generation Plant                                       |                        |
| Depr. Summary Fossil Generation  | Depr. Summary  | 2 Big Sandy Plant  |                        |
| منابذة بالمنابع فيستنا والمستناء وال | Status Activity Lending Reclassified to a/c  |  | GL Je Code             |
|  |  |  |                        |
| epreciation Group Activity Input  Accounting Month: February 2016  |  |  |                        |
|  |  |  | Depr Group ID          |
| Accounting Month: February 2016  | ₹  | y Valid  | Dept Group ID 20697153 |
| Accounting Month: February 2016  Depreciation Group KEPCo 101/6 312 SCR Catalyst Lyr 2   | And the second s | Valid     Steam Generation Plant                               |                        |
| Accounting Month: February 2016  Depreciation Group KEPCo 101/6 312 SCR Catalyst Lyr 2  Company Kentucky Power - Gen  Business Segment Regulated  Depr. Summary Fossil Generation  onth Set Of Books Depr Activity Code Amount S   | Functional Class Depr. Summary :  Glatus Activity Lo   | s Steam Generation Plant  Big Sandy Plant  Ing Description GL? |                        |
| Depreciation Group KEPCo 101/6 312 SCR Catalyst Lyr 2 Company Kentucky Power - Gen Business Segment Regulated Depr. Summary Fossil Generation Month Set Of Books Depr Activity Code Amount S   | Functional Class Depr. Summary :  Glatus Activity Lo   | s Steam Generation Plant<br>2 Big Sandy Plant                  | 20697153               |

## Reserve Balances and Activity by GL Account

American Electric Power

Starting Month: 06/2015 Ending Month: 06/2015

| KEPCo 101/6 312 SCR Catalyst Lyr 1 | 1110001 | Kentucky Power - Gen | SEC | Depr. Group                                      | OL Account    | Set of Books |
|------------------------------------|---------|----------------------|-----|--|---------------|--------------|
| SCR Catalyst Lyr 1                 |         | Ç                    |     |  |               |              |
| \$2,606,834,86                     |         |                      |     | Beginning Reserve                                |               |              |
| \$18,117.04                        |         |                      |     | Provision  |               |              |
| \$18,117.04 (\$3,259,048.48)       |         |                      |     | Retirements                                      |               |              |
| \$0.00                             |         |                      |     | Removal  | Cost of       |              |
| \$0.00                             |         |                      |     | Other Credits                                    | Salvage and   |              |
| \$0.00                             |         |                      |     | Adjustments                                      | Transfers and |              |
| \$0.00                             |         |                      |     | Toss/(Gain)                                      |               |              |
| (85.34,096,58)                     |         |                      |     | Credits Adjustments Loss / (Gain) Ending Reserve |               |              |

KEPCo 101/6 312 SCR Catalyst Lyr 3 KEPCo 101/6 312 SCR Catalyst Lyr 2

\$1,629,524.47 \$6,293,527,47

\$2,057,168.14

\$14,308.10 (\$3,259,048.92) \$0.00 (\$1,629,524.47)

\$0.00 \$0.00

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00 \$0.00 \$0.00

\$0.00 \$0.00 \$0.00

(\$1,821,669,26)

\$0.00

(\$1,187,572.68)

GI Account Code Subtotal:

Company Subtotal:

\$6,293,527,47

\$32,425.14 (\$8,147,621.87)

\$0.00

\$0.00

\$0.00

\$0.00

(\$1,821,669.26)

\$32,425,14 (\$8,147,621,87)

Grand Total:

\$6,293,527,47

\$32,425.14 (\$8,147,621.87)

\$0.00

\$0.00

\$0.00

\$0.00

(\$1,821,669,26)

Thanks.

Tom Sulhan

American Electric Power

Property Acctg. – Canton, OH

Email: tisulhan@aep.com

Phone: 330.438.7284 (Audinet 920)

## Tomas J Suban Jr.

Sent: From: David Hummel

Friday, 04 March, 2016 09:56 AM

Thomas J Sulhan Jr.

<u>.</u>

Subject:

8 Kathleen L Kentner; Cassie M Crites; Janet E Swanger; Larry D Sullivan; David A Davis; Jason A Cash; Michael A Baird

**RE: SCR Catalyst Amortization** 

lapprove

From: Thomas J Sulhan Jr.

Sent: Friday, March 04, 2016 9:03 AM

To: David Hummel; David A Davis; Jason A Cash

Cc: Kathleen L Kentner; Cassie M Crites; Janet E Swanger; Larry D Sullivan

Subject: RE: SCR Catalyst Amortization

approval of this entry? Both accounts on this entry are tax sensitive balance sheet accounts, so I must post the entry by 3pm Monday. We have been asked to obtain AP&R approval before posting entries related to plant retirements. Would you please review the attached entry and provide your

This entry reclassifies the remaining NBV of the Big Sandy SCR Catalysts from 1110001 (A/P for Amort of Plant) to regulatory asset account 1823379

(Unrecovered Plant – Big Sandy).

Once I obtain your approval, I will post the entry and send the details to Ranie Wohnhas.

Thanks

Tom Sulhan

American Electric Power

Property Acctg. - Canton, OH

Email: tisulhan@aep.com

Phone: 330.438.7284 (Audinet 920)

From: David Humme!

Sent: Wednesday, 02 March, 2016 11:54 AM

To: Thomas J Sulhan Jr.

Cc: Kathleen L Kentner; Cassie M Crites; Janet E Swanger; Larry D Sullivan; David A Davis; Jason A Cash

Subject: RE: SCR Catalyst Amortization

unrecovered plant, you should contact Ranie Wohnhas about this entry. retirement should be transferred to Account 1823379, Unrecovered Plant - Big Sandy. Since this amount was not included in the original forecast of The difference between the SCR catalyst original cost balance in Account 1010001 and the accumulated amortization in Account 1110001 at the time of the

From: Thomas J Sulhan Jr.

Sent: Wednesday, March 02, 2016 9:07 AM

To: Jason A Cash; David Hummel; David A Davis; Kathleen L Kentner; Janet E Swanger; Larry D Sullivan; Cassie M Crites

**Subject:** SCR Catalyst Amortization

appears that Powerplant was attempting to amortize this credit balance over the remaining life of the layer 1 & layer 2 assets (5/2018 & 5/2022 respectively) which is why amortization expense was still being calculated The Big Sandy SCR catalysts were retired in June 2015 business but were not fully amortized at the time of retirement – resulting in a credit reserve balance. It

adjustment in Powerplant to reverse this expense and ensure no additional expense is calculated Kathy and Cassie will need to create SAB108's for Q2 2015 through Q4 2015 to reverse the amortization expense calculated in error. They will also create an

AP&R -- can you please advise how these remaining SCR credit balances should be handled?

Source - Depr 1936