



Report ID: GLC7501

AEP Financials
JOURNAL ENTRY DETAIL REPORT

Page No. 1
Run Date 3/2/2016
Run Time 9:22:06AM

Unit: 117 ✓
Journal ID: OAABS2RESV ✓
Date: 2/29/2016 ✓
Journal status: V ✓
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: N ✓
Reversal Date:

Foreign Currency: USD ✓
Rate Type: CRRNT ✓
Effective Date: 2/29/2016 ✓
Exchange Rate: 1.00 ✓
Trans Ref Num: NONREC ✓

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

117 ✓									Total Lines:	2 ✓	Total Base Deblts:	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 PIt ✓			Reference:	Open Item Key:								
2	117 ✓	1823379 ✓	99990	KY ✓						CRRNT	1.00000000	1,854,094.40 ✓ USD	1,854,094.40 ✓ USD	
	Description:	Unrecovered Plant - Big Sandy ✓			Reference:	Open Item Key:								

INITIALS DATE
PREPARED [Signature] 3/2/16
CHECKED [Signature] 3/2/16
REVIEWED [Signature] 3/7/16

PowerPlant Depreciation Ledger

Select Criteria: Monthly Quarterly Annually

Start Date:

End Date:

Set of Books:

Orientation: Time Group

Pick Display: Life Reserve COR Reserve Combined Reserve

Period Comparison	Depreciation Basis	Reserve Activity	Reserve History
	KEPCo 101/6 312 SCR Catalyst Lyr 1	KEPCo 101/6 312 SCR Catalyst Lyr 2	
Total Beginning Reserve Balance	(\$525,394.30)	(\$1,101,724.08)	
Total Depreciation Provision	\$18,117.04	\$14,308.10	
Total Depreciation Input Adjustment	\$0.00	\$0.00	
Total Depreciation Calculated Adjustment	\$0.00	\$0.00	
Reserve Retirements	\$0.00	\$0.00	
Salvage Returns	\$0.00	\$0.00	
Salvage Cash	\$0.00	\$0.00	
Reserve Credits	\$0.00	\$0.00	
Cost Of Removal	\$0.00	\$0.00	
Total Reserve Transfers In	\$0.00	\$0.00	
Total Reserve Transfers Out	\$0.00	\$0.00	
Total Reserve Adjustments	\$0.00	\$0.00	
Net Gain Loss	\$0.00	\$0.00	
Total Ending Reserve Balance	(\$507,277.26)	(\$1,087,415.98)	
Impairment Asset Amount	\$0.00	\$0.00	
Impairment Expense Amount	\$0.00	\$0.00	

Jan 2016 Reserve Balance	\$ (507,277.26)	\$ (1,087,415.98)
Reverse Jun 2015-Jan 2016 Depr Exp	\$ (144,936.36)	\$ (114,464.80)
	\$ (652,213.62)	\$ (1,201,880.78)
Reserve adjustment - Transfer balance to 1823379	\$ 652,213.62	\$ 1,201,880.78
	\$ -	\$ -

PowerPlant Depreciation Ledger

Select Criteria:
 Monthly
 Quarterly
 Annually

Start Date: June 2015
End Date: June 2015
Set of Books: SEC

Orientation:
 Time
 Group

Pick Display:
 Life Reserve
 COR Reserve
 Combined Reserve

Buttons: Cancel, View Rates, View Factors

Period Comparison	Depreciation Basis	Reserve Activity	Reserve History
	KEPCo 101/6 312 SCR Catalyst Lyr 1	KEPCo 101/6 312 SCR Catalyst Lyr 2	KEPCo 101/6 312 SCR Catalyst Lyr 3
Beginning Plant in Service	\$3,259,048.48	\$3,259,048.92	\$1,629,524.47
Additions	\$0.00	\$0.00	\$0.00
Retirements	(\$3,259,048.48)	(\$3,259,048.92)	(\$1,629,524.47)
Transfers In	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00
Adjustments	\$0.00	\$0.00	\$0.00
Ending Plant in Service	\$0.00	\$0.00	\$0.00
Total Beginning Reserve Balance	\$2,606,834.86	\$2,057,168.14	\$1,629,524.47
Total Depreciable Base	\$652,213.62	\$1,201,880.78	\$0.00
Total Annual Provision Rate	66.666666%	28.571428%	2400.000000%
Total Provision	\$18,117.04	\$14,308.10	\$0.00
Total Provision Input Adjustment	\$0.00	\$0.00	\$0.00
Total Provision Calculated Adjustment	\$0.00	\$0.00	\$0.00
Estimated Annual Net Additions	\$0.00	\$0.00	\$0.00
Impairment Asset Amount	\$0.00	\$0.00	\$0.00
Impairment Expense Amount	\$0.00	\$0.00	\$0.00

Amount to reclass from 1110001 to 1823379

\$	652,213.62	
\$	1,201,880.78	
\$	<u>1,854,094.40</u>	

	Dr	Cr
acct 1110001		\$ 1,854,094.40
acct 1823379	\$ 1,854,094.40	

PowerPlant Depreciation Ledger

Select Criteria:

- Monthly
- Quarterly
- Annually

Start Date:

End Date:

Set of Books:

Orientation

- Time
- Group

Pick Display

- Life Reserve
- CDR Reserve
- Combined Reserve

Period Comparison	Depreciation Basis	Reserve Activity	Reserve History
	KEPCo 101/6 312 SCR Catalyst Lyr 1	KEPCo 101/6 312 SCR Catalyst Lyr 2	KEPCo 101/6 312 SCR Catalyst Lyr 3
Total Beginning Reserve Balance	\$2,606,834.86	\$2,057,168.14	\$1,629,524.47
Total Depreciation Provision	\$18,117.04	\$14,308.10	\$0.00
Total Depreciation Input Adjustment	\$0.00	\$0.00	\$0.00
Total Depreciation Calculated Adjustment	\$0.00	\$0.00	\$0.00
Reserve Retirements	(\$3,259,048.48)	(\$3,259,048.92)	(\$1,629,524.47)
Salvage Returns	\$0.00	\$0.00	\$0.00
Salvage Cash	\$0.00	\$0.00	\$0.00
Reserve Credits	\$0.00	\$0.00	\$0.00
Cost Of Removal	\$0.00	\$0.00	\$0.00
Total Reserve Transfers In	\$0.00	\$0.00	\$0.00
Total Reserve Transfers Out	\$0.00	\$0.00	\$0.00
Total Reserve Adjustments	\$0.00	\$0.00	\$0.00
Net Gain Loss	\$0.00	\$0.00	\$0.00
Total Ending Reserve Balance	(\$634,096.58)	(\$1,187,572.68)	\$0.00
Impairment Asset Amount	\$0.00	\$0.00	\$0.00
Impairment Expense Amount	\$0.00	\$0.00	\$0.00

June 1, 2015 Reserve Balance	\$ 2,606,834.86	\$ 2,057,168.14	
June 2015 Retirement	\$ (3,259,048.48)	\$ (3,259,048.92)	
Reserve balance to be reclassified to account 1823379:	\$ (652,213.62)	\$ (1,201,880.78)	\$ (1,854,094.40)

✓ Depreciation Group Activity Input

Accounting Month: February 2016

Depreciation Group	KEPCo 101/6 312 SCR Catalyst Lyr 1	Depr Group ID	20645166
Company	Kentucky Power - Gen	Status	Valid
Business Segment	Regulated	Functional Class	Steam Generation Plant
Depr. Summary	Fossil Generation	Depr. Summary 2	Big Sandy Plant

Month	Set Of Books	Depr Activity Code	Amount	Status	Activity Long Description	GL?	GL Je Code
02/2016	SEC	Reserve Adjustment	\$652,213.62	pending	Reclassified to a/c 1823379 on JE 0AAB52	<input type="checkbox"/>	

Depr Activity Code displayed in blue indicates activity is part of a Transaction Set.

✓ Depreciation Group Activity Input

Accounting Month: February 2016

Depreciation Group	KEPCo 101/6 312 SCR Catalyst Lyr 2	Depr Group ID	20697153
Company	Kentucky Power - Gen	Status	Valid
Business Segment	Regulated	Functional Class	Steam Generation Plant
Depr. Summary	Fossil Generation	Depr. Summary 2	Big Sandy Plant

Month	Set Of Books	Depr Activity Code	Amount	Status	Activity Long Description	GL?	GL Je Code
02/2016	SEC	Reserve Adjustment	\$1,201,880.78	pending	Reclassified to a/c 1823379 on JE 0AAB52	<input type="checkbox"/>	

Depr Activity Code displayed in blue indicates activity is part of a Transaction Set.

Reserve Balances and Activity by GL Account
American Electric Power

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

Set of Books Company GL Account Depr. Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
SEC								
Kentucky Power - Gen								
1110001								
KEPCo 101/6 312 SCR Catalyst Lyr 1	\$2,606,834.86	\$18,117.04	(\$3,259,048.48)	\$0.00	\$0.00	\$0.00	\$0.00	(\$634,096.58)
KEPCo 101/6 312 SCR Catalyst Lyr 2	\$2,057,168.14	\$14,308.10	(\$3,259,048.92)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,187,572.68)
KEPCo 101/6 312 SCR Catalyst Lyr 3	\$1,629,524.47	\$0.00	(\$1,629,524.47)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GL Account Code Subtotal:	\$6,293,527.47	\$32,425.14	(\$8,147,621.87)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,821,669.26)
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)
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)

Thomas J Sulhan Jr.

From: David Hummel
Sent: Friday, 04 March, 2016 09:56 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; Michael A Baird
Subject: RE: SCR Catalyst Amortization

I approve.

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

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 approval of this entry? Both accounts on this entry are tax sensitive balance sheet accounts, so I must post the entry by 3pm Monday.

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: tsulhan@aep.com
Phone: 330.438.7284 (Audinet 920)

From: David Hummel
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

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

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

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 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.

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 adjustment in Powerplant to reverse this expense and ensure no additional expense is calculated.

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

[Source – Depr 1936](#)