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March 6, 2018

HAND DELIVERED
ELECTRONICALLY FILED

Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

Re: Case No. 2017-00383

Dear Ms. Pinson:

In accordance with Ordering Paragraph 2 of the Commission's January 19, 2018 Order in this matter, I write to notify the Commission that the transaction between Kentucky American Water ("KAW") and Eastern Rockcastle Water Association ("ERWA") closed on February 28, 2018.

Additionally, by this letter, I want to inform you of a development that occurred after the Commission's January 19, 2018 Order related to a grant that the United States Department of Agriculture Rural Development ("USDA Rural Development") had issued to Eastern Rockcastle Water Association. In working towards closing the transaction the Commission approved, KAW and ERWA learned that USDA Rural Development was insistent that a repayment obligation of \$58,905.19 would be required.

By conference call of the morning of February 22, 2018, I informed Commission Staff Counsel Angela Goad and Intervenor's Counsel Todd Osterloh of this development and that an increase in the purchase price to cover this repayment obligation was under consideration so that ERWA could meet the repayment obligation. However, subsequent to that call, USDA Rural Development indicated its approval for KAW to pay the repayment obligation directly to USDA Rural Development and KAW decided to do so. I informed Ms. Goad and Mr. Osterloh of this development by e-mail during the afternoon of February 22, 2018. Thus, the purchase price paid to ERWA did not change from that approved by the Commission and the February 28, 2018 closing was made in exact accordance with the approved transaction. Ms. Goad indicated

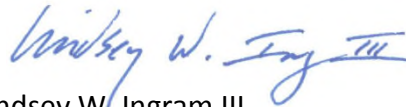
Gwen R. Pinson
March 6, 2018
Page 2

that this information should be made a part of the post-hearing record, and, therefore, I have included it in this letter.

I certify that: (1) there are no materials to be filed in paper medium that are not included in the electronic submission; and (2) the electronically filed documents are a true representation of the documents that will be submitted in paper medium within two business days of the electronic submission.

Very truly yours,

Stoll Keenon Ogden PLLC

A handwritten signature in blue ink that reads "Lindsey W. Ingram III". The signature is written in a cursive style with a prominent initial "L".

Lindsey W. Ingram III