

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness:

13. Using Eastern Rockcastle's balance sheet provided in response to Item 12, provide the journal entries that KAWC will record to reflect the acquisition of Eastern Rockcastle.

Response:

Based on information currently available, Kentucky American journal entries are:

Description	Debit Amount	Credit Amount
Land	5,450.00	
Utility Plant	3,523,550.00	
Accum Depr		1,379,549.00
CIAC		2,493,697.00
Accum CIAC Amortization	1,048,746.00	
Cash		700,000.00
Gain on Acquisition of Asset		4,500.00
Totals	4,577,746.00	4,577,746.00

These entries are based on 2016 audited financial reports. Please refer to the attached balance sheet from the 2016 audited financial reports.

Supplemental Response 12/04/17:

A cash purchase price of \$700,000 was used in error. Below are the Kentucky American journal entries based on the information currently available:

Description	Debit Amount	Credit Amount
Land	5,450.00	
Utility Plant	3,523,550.00	
Accum Depr		1,379,549.00
CIAC		2,493,697.00
Accum CIAC Amortization	1,048,746.00	
Cash		770,000.00
Gain on Acquisition of Asset	65,500.00	
Totals	4,643,246.00	4,643,246.00