

Kentucky Utilities Company  
Journal Entries Relating to the  
Sale of Middlesboro Office and Land

**Item 1. Entries Processed at Time of Closing**

**A. Plant Journal Entries**

1. Cash (131)	282,376.27	
Retirement WIP - (108)		282,376.27

*Record the net proceeds received from sale.*

1a. Retirement WIP - (108)	1,412.56	
Cash (131)		1,412.56

*Expenses paid in process of sale (not part of closing).*

2. Accumulated Provision for Depreciation (108)- Various	939,973.83	
Retirement WIP - (108)	280,963.71	
Electric Plant in Service (101)		1,187,329.33
Gain on Disposition of Electric Plant (421.1) (Land Portion Only)		33,608.21

*Reduce accumulated provision for depreciation and plant in*

**B. Federal Tax Journal Entries**

1. Income Taxes, Utility Operating Income (409.1)		145,482.28
Taxes Accrued (236) - Federal	145,482.28	

*Federal entry to record current income tax on the tax loss, net of book.*

2. Income Taxes, Non-Operating Income (409.2)	6,704.84	
Taxes Accrued (236) - Federal		6,704.84

*Federal entry to record current income tax on the book gain.*

3. Federal Deferred Income Tax - Utility Operating Income (410.1)	145,482.28	
Accum. Deferred Income Taxes- Other Property (282)		145,482.28

*Federal entry to record the deferred income tax on properties.*

**C. State Tax Journal Entries**

1. Income Taxes, Utility Operating Income (409.1)		36,461.72
Taxes Accrued (236) - State	36,461.72	

*State entry to record current income tax on the tax loss, net of book.*

2. Income Taxes, Non-Operating Income (409.2)	1,680.41	
Taxes Accrued (236) - Federal		1,680.41

*State entry to record current income tax on the book gain.*

3. State Deferred Income Tax - Utility Operating Income (410.1)	36,461.72	
Accum. Deferred Income Taxes- Other Property (282)		36,461.72

*State entry to record the deferred income tax on properties.*