

Galena Territory Utilities, Inc.
Recommended Changes to GTU's Proposed Accounting Entries
to Record the Purchase of Oakwood

Line No.	Account Number	Account Description	Entry Per GTU (A)		Adjustment Per Order (B)		Proposed Entry Per Order	
			Debit (c)	Credit (d)	Debit (e)	Credit (f)	Debit (g)	Credit (h)
Journal Entry #1 - To record the initial purchase price to Account 104.								
1	104	Utility Plant Purchased or Sold			\$2,050,000		\$2,050,000	
2	104	Legal - Closing Costs			61,000		61,000	
3	131	Cash		\$2,050,000				\$2,050,000
4	131	Cash		61,000				61,000
Journal Entry #2 - To transfer at closing the initial purchase price from Account 104 to the appropriate utility plant related accounts.								
5	104	Utility Plant Purchased or Sold		-		1,970,229	-	1,970,229
6	104	Legal - Closing Costs		-		61,000	-	61,000
7	104	Contribution In Aid of Construction			585,000		585,000	
8	104	Accumulated Amorization of CIAC				338,606		338,606
9	104	Utility Plant Acquisition Adjustment			-	326,165	-	326,165
10	114	Utility Plant Acquisition Adjustment	-	40,835	367,000	-	326,165	-
Water								
11	301	Organization	30,500				30,500	-
12	320	Water Treatment Equipment	1,169,360				1,169,360	-
13	331	Transmission & Distribution Mains	295,048				295,048	-
14	335	Hydrants	25,149				25,149	-
15	348	Other Tangible Plant	50,400				50,400	-
16	108	Accumulated Depreciation - WT Equipment		932,174				932,174
17	108	Accumulated Depreciation - T&D Mains		138,978				138,978
18	108	Accumulated Depreciation - Hydrants		145,750				14,575
19	271	Contribution In Aid of Construction		339,399			-	339,399
20	272	Accumulated Amorization of CIAC	178,956				178,956	-
Wastewater								
21	351	Organization	30,500				30,500	-
22	360	Collection Sewers	2,217,431				2,217,431	-
23	380	Treatment and Disposal Equipment	3,399,874			367,000	3,032,874	-
24	398	Other Tangible Plant	50,400				50,400	-
25	108	Accumulated Depreciation - Collection		1,417,445				1,417,445
26	108	Accumulated Depreciation - T&D Equipment		2,367,261				2,367,261
27	271	Contribution In Aid of Construction		245,601			-	245,601
28	272	Accumulated Amorization of CIAC	159,650				159,650	-
29		Totals	<u>\$7,607,268</u>	<u>\$7,607,268</u>	<u>\$3,063,000</u>	<u>\$3,063,000</u>	<u>\$8,151,433</u>	<u>\$8,151,433</u>
Journal Entry #3 - To record the annual amortization of the acquisition adjustment.								
30	115	Accum. Amort. Of Utility Plant Acq. Adj.	-			\$ 8,970	-	\$ 8,970
31	421	Non Utility Income - Other		-	\$ 8,970		\$ 8,970	

Sources:

- (A) GTU Exhibit 1.1 REV - Journal Entries
- (B) Journal Entry #1 - To record the plant in Account 104, consistent with Accounting Instruction 21 A.
- (B) Journal Entry #2 - To record the acquisition adjustment for Oakwood, consistent with Accounting Instruction 21 B (6) of the Uniform System of Accounts (Response to Staff DR ST 2.03) and remove the value of land not purchased.
- (B) Journal Entry #3 - To amortize the Oakwood acquisition adjustment below the line to Account 421 Non-Utility Income - Other.