

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
GALLATIN COUNTY WATER DISTRICT	)	2021-00396

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RESPONSE OF GALLATIN COUNTY WATER DISTRICT  
TO THE COMMISSION STAFF'S SECOND REQUEST FOR  
INFORMATION DATED JANUARY 21, 2022

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF )	CASE NO.
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VERIFICATION OF TAMMY HENDREN

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COMMONWEALTH OF KENTUCKY    )  
  )  
COUNTY OF     GALLATIN     )

Tammy Hendren, Office Manager of Gallatin County Water District, states that she has supervised the preparation of certain responses to the Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information, and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
Tammy Hendren

The foregoing Verification was signed, acknowledged, and sworn to before me this 31<sup>st</sup> day of January 2022, by Tammy Hendren.

 KY#P28892

Commission expiration: 5/8/25

**Gallatin County Water District**  
**Case No. 2021-00396**  
**Commission Staff's Second Request for Information**

**Witness:** Tammy Hendren

1. Refer to Gallatin District's 2017 and 2018 audit report on file with the Commission.
  - a. Provide the reason for and basis of the restatement of amounts for the year 2017 included in the 2018 audit report.
  - b. For the restatement, provide an explanation why a disclosure was not filed with the Commission detailing the reason for the restated numbers.

**Response:** As explained in Note 19 to the basic financial statements for Gallatin County Water District for the years ended December 31, 2018, and 2017, found on page 33 of the audit report, entitled "RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS", The Governmental Accounting Standards Board (GASB), adopted Statement 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, which became effective for years beginning after June 15, 2017. Therefore, as the district's financial year began January 1, 2018, the pronouncement became applicable to it at that time. The Statement requires the restatement of all periods presented. Since the audit report showed comparative financial statements, the 2017 figures had to be restated to reflect the effect of adoption.

This pronouncement applies to all governmental entities reporting financial statements prepared using generally accepted accounting principles (GAAP) and participating in a retirement system. The district participates in the Kentucky Retirement System – County Employees Retirement System. Since it is applicable to all such entities, the PSC was certainly aware of the anticipated effect. Additionally, failure to report the effect of the pronouncement would have caused the district to have received an adverse opinion on its financial statements.

The underlying description of the pronouncement and financial effect (restatement) are outlined in the note (a copy of which is attached, see file Gallatin 2.1a – 2018 Audit Note 19).

Additionally, attached are copies from the 2018 Public Service Report as filed describing the effects. See file Gallatin 2.1b – 2018 PSC Report Excerpts.

Our accountants were in contact with Public Service Commission at that time. It was never indicated that a separate explanation was necessary.

2. Refer to Gallatin District's responses to Commission Staff's First Request for Information (Staff's First Request), Item 2, regarding cost justification sheets for all nonrecurring charges.

a. Gallatin District did not provide cost justification for its service line inspection charge, field collection charge, late payment penalty, or credit card payment fee. Provide cost justification sheets for these nonrecurring charges listed in Gallatin District's current tariff.

**Response:** The service line inspection charge and field collection charge will be the same as the Disconnect/Reconnect Charge for normal business hours. The credit card payment fee is no longer needed. The late payment penalty is covered under KRS 278.0154.

b. Gallatin District provided one cost justification sheet for its connection/turn-on charge, meter re-read charge and disconnect/reconnection charge that provide support for a \$59 charge for each of these non-recurring charges. Gallatin District's current tariff shows a \$35 charge for its connection/turn-on charge and meter re-read charge, and \$70 for its disconnection/reconnection charge. State whether Gallatin District intends to revise all of these charges to an amount of \$59 as supported by the cost justification sheet provided in its response to Staff's First Request.

**Response:** The District does intend to revise all these charges to an amount of \$59.00.

c. Gallatin District provided one cost justification sheet for the after hours connection/turn-on charge, after hours reconnection charge, and after hours service call charge. Gallatin District's current tariff does not contain an after hours service call charge or an after hours reconnection charge. State whether Gallatin District intends to revise its current tariff to reflect these new after hours non-recurring charges.

**Response:** The District does intend to revise its current tariff to reflect these new after hours non-recurring charges.

d. Gallatin District's current tariff shows an after hours connection/turn-on charge of \$60. Gallatin District provided cost justification sheets supporting an after hours connection/turn-on charge of \$122. State whether or not Gallatin District intends to increase its current after hours connection/turn-on charge to \$122.

**Response:** The District does intend to increase its current after hours connection/turn-on charge to \$122.00.

e. Gallatin District provided a cost justification sheet for its meter test charge providing support for \$159, however its current tariff shows a charge of \$60 for its meter test charge. State whether Gallatin District intends to increase its current meter test charge to \$159 from \$60 as shown in its current tariff.

**Response:** The District does intend to increase its current meter test charge to \$159.00.

f. Gallatin District provided a cost justification sheet for its returned payment charge providing support for \$28, however its current tariff shows a charge of \$25 for its returned payment charge. State whether Gallatin District intends to increase its current returned payment charge to \$28 from \$25 as shown in its current tariff.

**Response:** The District does intend to increase its current returned payment charge to \$28.00.