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August 1, 2018

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AUG 03 2018

PUBLIC SERVICE
COMMISSION

Public Service Commission
Gwen R. Pinson
Executive Director
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

**Re: Responses to PSC First Request for Information
Case #2018-00227**

Dear Mrs. Pinson:

I, Kevin Lowe, on behalf of Mountain Water District, have prepared the included responses to the Commission Staff's first request for information in case #2018-00227. I certify that the responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

If you need anything further, please contact me by calling 606-631-4000.

Sincerely,

Kevin Lowe
Office Manager

cc: Mike Blackburn, Chairperson
Dan Stratton, Stratton Law Firm
File

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AUG 03 2018

CASE: Mountain Water District PUBLIC SERVICE COMMISSION
CASE NO: 2018-00227
RE: PSC First Request for Information

INDEX

Question 1: Witness & Response 1
Question 2: Witness & Response2
Question 3: Witness & Response 3
Question 4 (a-f): Witness & Response 4
Question 5: Witness & Response 5
Question 6: Witness & Response 6
Question 7: Witness & Response 7
Question 8: Witness & Response 8
Installment PlanAppendix

CASE: Mountain Water District
CASE NO: 2018-00227
RE: PSC First Request for Information

Q1: State the reasons why Mountain District filed to revise its connection fee installment payment plan –

Witness: Lowe

Response Q1: The District is requesting the revision to its connection fee installment plan in an effort to assist residents of the District's service area who have inadequate funds and/or failing wells or septic systems and need immediate service. Customers with failing septic systems or straight pipes would be out of compliance with Pike County Health Department requirements for waste disposal and an installment plan may assist them with acquiring adequate sewer disposal in a timely manner. The District would like to provide a means for these residents to have immediate access to service.

CASE: Mountain Water District

CASE NO: 2018-00227

RE: PSC First Request for Information

Q2: Provide the Agreement, if any, that customers sign when applying to pay their water and sewer connection fees under the current connection fee installment payment plan)

Witness: Lowe

Response Q2: We do not currently have an installment agreement that the customer must sign. Currently customers requesting an installment agreement for a water and/or sewer tap can pay as they can up to 24 months; however, the tap is not installed until the tap fee is paid in full. If the full payment is not paid within 24 months, the amount that has been paid is refunded to the customer. The District has not had to issue any refunds on these type of plans.

CASE: Mountain Water District

CASE NO: 2018-00227

RE: PSC First Request for Information

Q3: Provide the agreement, if any, that customers will be required to sign when applying to pay their water or sewer connection fees under the proposed connection fee installment payment plan –

Witness: Lowe

Response Q3: See Appendix

CASE: Mountain Water District
CASE NO: 2018-00227
RE: PSC First Request for Information

Q4: For the last three calendar years and for the current year to date –

Q4 (a.): Provide the number of water customers who have signed up to pay their water connection fees under the installment payment plan.

Witness: Lowe

Response Q4 (a.): No customer has used the installment plan during the time frame requested.

Q4 (b.): Provide the number of sewer customers who have signed up to pay their sewer connection fees under the installment payment plan.

Witness: Lowe

Response Q4 (b.): One (1) sewer customer has paid installments under the current plan. They completed the plan in 2 payments. They paid their 1st payment in March, 2015 and the final payment in March, 2016.

Q4 (c.): Provide the number of months, on average, that it took for water customers on the installment payment plan to pay their water connection fees in full.

Witness: Lowe

Response Q4 (c.): N/A-No customer used the installment plan for a water connection

Q4 (d.): Provide the number of months, on average, that it took for sewer customers on the installment payment plan to pay their sewer connection fees in full.

Witness: Lowe

Response Q4 (d.): 12 Months – The customer made 2 payments, 1 year apart.

CASE: Mountain Water District

CASE NO: 2018-00227

RE: PSC First Request for Information

Q4 (e): Provide the number of customers who have defaulted on their connection fee installment payment plans.

Witness: Lowe

Response Q4 (e.): None

Q4 (f.): Provide the number of times ownership of property under a connection fee installment payment plan changed hands while the installment payment plan was still active.

Witness: Lowe

Q4 (f.): None

CASE: Mountain Water District
CASE NO: 2018-00227
RE: PSC First Request for Information

Q5: Explain what happens when a customer defaults on the current connection fee installment payment plan. –

Witness: Lowe

Response Q5: If a customer has not paid in full after 24 months the amount the customer has paid for the tap fee is refunded and the tap is not installed. The customer can reapply for service after the refund and will be given the current pricing from the District's tariff, as approved by the Kentucky Public Service Commission.

CASE: Mountain Water District
CASE NO: 2018-00227
RE: PSC First Request for Information

Q6: Explain what happens when ownership of a property under the current connection fee installment payment plan changes hands while the payment plan is still active. –

Witness: Lowe

Response Q6: The amount paid by the customer originally requesting the tap is refunded to that customer and the tap is not installed. The new property owner can apply for service if they wish to do so and pay for the full amount of the tap fee.

CASE: Mountain Water District

CASE NO: 2018-00227

RE: PSC First Request for Information

Q7: Explain what will happen if a customer defaults on the proposed connection fee installment payment plan. –

Witness: Lowe

Response Q7: Should the customer default on the installment plan, which shall be billed along with the customer's monthly service bill, the District shall disconnect the service until such time as the installment plan is current.

CASE: Mountain Water District
CASE NO: 2018-00227
RE: PSC First Request for Information

Q8: Explain what will happen when ownership of a property under the proposed connection fee installment payment plan changes hands while the payment plan is still active. –

Witness: Lowe

Response Q8: Should ownership of the property serviced by the tap subject to the installment plan change hands prior to full payment of the installment plan, the customer who signed the installment plan shall remain liable for the remaining debt. Should the debt not be paid, the District shall pursue any legal options available to collect the debt.

MOUNTAIN WATER DISTRICT
CUSTOMER INSTALLMENT PLAN

DATE: _____

ACCOUNT NUMBER: _____

SERVICE NAME: _____

ADDRESS: _____

The undersigned is indebted to the Mountain Water District for a (circle) water and/or sewer tap fee in the amount of \$ _____ and have requested to the District to authorize the undersigned's payment of said obligation in installments and the District is willing to do so. Now, therefore, in consideration of installation of the above referenced service tap, the undersigned agrees to pay 50% down and pay the remaining sum of \$ _____ in _____ installments of \$ _____ plus the current bill for service to The Mountain Water District, on or before the due date of their billing, until the foregoing sum is fully paid and satisfied. It is understood by the undersigned that should they fail to pay any installment of the foregoing obligation when due, that the unpaid balance will be immediately due and payable; and that the District shall have the right to discontinue service to them without further notice. Further the undersigned acknowledges that they will continue to receive a delinquent account notice each month until the entire arrearage is paid. Should ownership of the property change while the installment plan is active the undersigned shall remain responsible for the balance of the installment plan and the District may pursue any legal options available to collect the debt.

Executed this _____ day of _____, 20____, the

Undersigned acknowledging receipt of a true copy thereof.

Personal Guarantee
Customer Signature: _____

Date: _____

Witness: _____

Approved By: _____