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PUBLIC SERVICE COMMISSION

July 16, 2020

Public Service Commission P.O. Box 615 211 Sower Blvd. Frankfort, KY 40602-0615

Re:

Electronic Emergency Docket Related to the Novel Coronavirus COVID-19

P.S.C. Case No. 2020-00085

Written comments regarding COVID-19 burdens on small utilities

## Dear Commission:

This letter is submitted to the Commission for its use and to help clarify issues before it in the above-mentioned matter pertaining to small utilities. KMUA does not seek to intervene or become a party in the action.

KMUA's 40-plus members are community-owned and controlled. Each provides essential utility services which variously include electricity, water, wastewater, natural gas or telecommunications. Members' customers are located in communities throughout the Commonwealth. KMUA provides its members with information, resources, and support which they need in order to deliver the highest quality essential services to their customers.

KMUA certainly appreciates Governor Andy Beshear's strong and compassionate leadership during this unprecedented COVID-19 emergency. KMUA members have worked tirelessly to ensure that Kentuckians are able to "Stay Healthy at Home" and to remain connected and with power and services. However, the additional reality is that the COVID-19 emergency executive orders are causing economic hardships for KMUA member utilities. Keeping the power on and the services going while also having revenue access restrictions is a major dilemma facing community-based utilities. Essentially, it is burning the candle at both of its ends.



Many Kentucky families are facing tough choices as they experience losses of income as a result of COVID-19, including whether to delay or cease payments for essential utility services. KMUA members have forgone disconnects and late fees for missed utility payments or have made other arrangements to assist customers in this COVID-19 pandemic. Local utility leaders and professionals have worked with their local customers to ensure the safety and security of our most vulnerable populations. However, the dire and unprecedented economic reality is that this scenario comes with a real cost to the utilities. Though KMUA members are not under the Commission's jurisdiction, it is important for the Commission to understand that all communityoriented utilities are hurting, including KMUA's members. KMUA members and many small utilities do not possess the same types of options or flexibility as investor owned utilities or cooperatives. For example, KMUA members cannot offset COVID-19 executive order revenue limitations by building up financial reserves to tap when needed or by petitioning the Commission for relief to offset the widespread failure of many customers to pay utility bills. Our members' present and future economic concerns are real, just as they are for Commission-regulated small utilities. KMUA estimates that the cost to city utilities in the state are close to \$1.6 million. KMUA is advocating for Governor Beshear's office to immediately lift the moratorium on cutoffs and late fees. We encourage the Kentucky Public Service Commission to support that position.

We appreciate the opportunity to offer these comments and we urge the Commission to be mindful of the plight of small and community-oriented utilities in our Commonwealth.

Sincerely, Swelle C. Defeut-E

Annette C. DuPont-Ewing

**Executive Director**