

Meade County Rural Electric Cooperative Corporation
Case No. 2020-00085
Electronic Emergency Docket Related to the Novel Coronavirus COVID-19
Order Dated June 23, 2020; Responses to Data Request

Question No. 1
Witness: Erica Hall

Question:

Provide the utility's current number of customers and the date used for that determination.

Response:

As of May 31, 2020, Meade County Rural Electric Cooperative Corporation ("Meade County RECC") had a total customer count of 30,085.

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Question No. 2
Witness: Erica Hall

Question:

If applicable, provide the utility's current number of customers per class.

Response:

Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab "Q-2"

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Question No. 3
Witness: Erica Hall

Question:

If a utility provides multiple services, such as both electric and gas residential service, provide the information requested for each service separately. For those customers that receive combined service, provide each service separately if separately served or combined if billed on a combined basis. Provide the average total bill for all customers for:

- a. 2017 as a year, not each month;*
- b. 2018 as a year, not each month;*
- c. 2019 as a year, not each month; and*
- d. Each month in 2020.*

Total bill is defined as including charges for current service and past service that is unpaid, including the accumulation of fees.

Response:

Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab "Q-3"

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Question No. 4
Witness: Erica Hall

Question:

If a utility provides multiple services, such as both electric and gas residential service, provide the information requested for each service separately. For those customers that receive combined service, provide each service separately if separately served or combined if billed on a combined basis. Provide the average total bill for all customers in each class for:

- a. 2017 as a year, not each month;*
- b. 2018 as a year, not each month;*
- c. 2019 as a year, not each month; and*
- d. Each month in 2020.*

Total bill is defined as including charges for current service and past service that is unpaid, including the accumulation of fees.

Response:

Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab "Q-4"

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Question No. 5
Witness: Erica Hall

Question:

If a utility provides multiple services, such as both electric and gas residential service, provide the information requested for each service separately. For those customers that receive combined service, provide each service separately if separately served or combined if billed on a combined basis. Provide the average bill for current service for all customers for:

- a. 2017 as a year, not each month;*
- b. 2018 as a year, not each month;*
- c. 2019 as a year, not each month; and*
- d. Each month in 2020.*

Response:

Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab "Q-5"

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Question No. 6
Witness: Erica Hall

Question:

If a utility provides multiple services, such as both electric and gas residential service, provide the information requested for each service separately. For those customers that receive combined service, provide each service separately if separately served or combined if billed on a combined basis. Provide the average bill for current service for all customers in each class for:

- a. 2017 as a year, not each month;*
- b. 2018 as a year, not each month;*
- c. 2019 as a year, not each month; and*
- d. Each month in 2020.*

The differences between request 3 and request 5, and request 4 and request 6 should provide the average arrearage for all customers and for each class, respectively.

Response:

Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab "Q-6"

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Question No. 7
Witness: Erica Hall

Question:

Explain how the utility calculates bad debt.

- a. Explain the decision criteria governing when the utility writes off bad debt.*
- b. Provide the monthly bad debt write-offs for each month in 2018, 2019, and 2020.*
- c. If the utility has changed its calculation or determination of bad debt in the past two years, explain its previous calculation or determination of bad debt and the reason for the change.*

Response:

Meade County RECC calculates amounts deemed uncollectible twice per year, after March 31st and September 30th of the current year. Included with the March 31st write-off are the inactive accounts with balances that were disconnected as of January 31st of the current year. Included with the September 30th write-off are the inactive accounts with balances that were disconnected as of July 31st of the current year. Proposed write-off amounts are presented to the Board of Directors for approval. Once approved, the amounts are transferred from Customer Accounts Receivable (Account 142.00) to Accumulated Provision for Uncollectible Customer Accounts (Account 144.10).

- a. Utilizing a twice per year methodology for write-offs permits Meade County RECC to frequently monitor its uncollectible amounts and adjust accordingly the monthly accrual amounts recorded for bad debt expense. The periods covered in each write-off are designed to accommodate for the winter and summer peaks of the distribution system when customer bill amounts may be higher than at other times during the year. Consideration of the system peaks permits each write-off period to likely include one peak, winter or summer, resulting in less volatile uncollectible totals.
- b. Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab “Q-7b”
- c. The above described method has been applied consistently at Meade County RECC for several years.

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Question No. 8
Witness: Erica Hall

Question:

Assuming the Commission's moratorium on disconnections was not in effect, provide the number of customers in each class that would be subject to disconnection and the date used for this determination.

Response:

Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab "Q-8"

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Question No. 9
Witness: Erica Hall

Question:

Provide the percent of customers, by class, that pay on time for:

- a. 2017 as a year, not each month;*
- b. 2018 as a year, not each month;*
- c. 2019 as a year, not each month; and*
- d. Each month in 2020.*

Response:

Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab "Q-9"

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Question No. 10
Witness: Erica Hall

Question:

Provide the following information for January 1, 2015, until December 31, 2019. If a utility provides multiple services, such as both electric and gas residential service, provide the information requested for each service separately. For those customers that receive combined service, provide each service separately if separately served or combined if billed on a combined basis. Further, provide the following information by class.

- a. Provide monthly totals of service termination notices issued to customer only for nonpayment of bills.*
- b. Provide monthly totals of service terminations for customers only for nonpayment of bills.*
- c. Provide the total number of customers for each month.*

This information should be provided so as not to duplicate customer counts. The information requested in this request should be presented similarly to the residential-only information provided in Case No. 2019-0366. For reference, refer to Louisville Gas and Electric Company and Kentucky Utilities Company's Question No. to Post-Formal Conference Request for information filed with the Commission on March 6, 2020.

Response:

Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab "Q-10a-b" and Tab "Q-10c"

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Question No. 11
Witness: Erica Hall

Question:

Provide the total income received from late payment fees for:

- a. 2017 as a year, not each month;*
- b. 2018 as a year, not each month;*
- c. 2019 as a year, not each month; and*
- d. Each month in 2020.*

Response:

Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab “Q-11”

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Question No. 12
Witness: Erica Hall

Question:

Quantify the amount of late payment fees the utility would have assessed since March 16, 2020, absent the Commission's directive.

Response:

Please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab "Q-12"

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Question No. 13
Witness: Erica Hall

Question:

Provide copies of all general communication provided to customers regarding arrearages, late payments, payment plans, etc. since March 16, 2020. Customer-specific communication is excluded from this request.

Response:

Meade County RECC has communicated to its membership through various means: website, social media accounts, and the Kentucky Living magazine publication. For copies of advertisements published throughout the COVID-19 pandemic, please see attached provided in PDF format: MCRECC_R_PSCDR1_Q13_200707

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Question No. 14
Witness: Erica Hall

Question:

Provide a detailed explanation and breakout of any cost increases and decreased income (by customer class if applicable) the utility has experienced as a result of the COVID-19 State of Emergency.

Response:

As a result of the COVID-19 State of Emergency, Meade County RECC has incurred increased costs to purchase cleaning supplies, sanitizers, gloves and masks, thermometers, and other items in order to comply with recommendations set forth by the CDC and the state and federal governments. For a breakout of increased costs, please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab “Q-14”

To protect the wellness of its customers and employees, Meade County RECC has made necessary adjustments to its office hours and employee working schedules throughout the COVID-19 pandemic. For the period of March 24, 2020 thru May 31, 2020, the majority of Meade County RECC employees were split into two teams and operated on 3-day alternating shifts. Despite reduced work hours and decreased productivity, Meade County RECC continued to compensate each employee for the regular 40-hour work week by providing 20 additional sick days to applicable employees. This resulted in nearly \$137,000 in labor costs.

Decreased income of approximately \$231,358 has resulted from the waiver of late fees since March. For a breakout of decreased income due to penalty, please see attached provided in Excel format: MCRECC_R_PSCDR1_200707 Tab “Q-12”

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Question No. 15
Witness: Erica Hall

Question:

Provide a detailed explanation and breakout of any cost decreases and increased income the utility has experienced as a result of the COVID-19 State of Emergency.

Response:

Meade County RECC did not experience significant cost decreases or increased income because of the COVID-19 State of Emergency.

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**Question No. 16
Witness: Erica Hall**

Question:

Provide any additional information or data the utility believes the Commission should consider in amending or vacating its previous Orders in this matter.

Response:

At this time, Meade County RECC is not proposing any additional information to be considered by the Commission in amending or vacating its previous Orders in this matter.

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Question No. 17
Witness: Erica Hall

Question:

If applicable, provide any information or concerns regarding the utility's prepay program as it relates to the Commission's previous Orders in this docket.

Response:

Meade County RECC does not currently have customers enrolled in the prepay program.