Response No. 1 Page 1 of 1 Witness: Gregory R. Lee

# Nolin Rural Electric Cooperative Corporation Case No. 2020-00085 Commission Staff's Initial Request for Information

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

# **Response:**

As of May 31, 2020, Nolin has 28,839 members and 35,985 accounts.

Response No. 2 Page 1 of 1 Witness: Gregory R. Lee

# Nolin Rural Electric Cooperative Corporation Case No. 2020-00085 Commission Staff's Initial Request for Information

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

#### **Response:**

As of May 31, 2020, Nolin has 35,985 total accounts in the following classes:

| Residential                             | 33,968 |
|---|--------|
| Commercial/Industrial (1000KVA or less) | 1,983  |
| Commercial/Industrial (Over 1000KVA)    | 2      |
| Public Street & Highway Lighting        | 32     |

- 3. 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:**

- a. \$178.18
- b. \$192.64
- c. \$183.09
- d. January \$208.36 February - \$185.39 March - \$153.03 April - \$135.45 May - \$143.72

- 4. 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 refer to "Exhibit 4" of the attached Excel spreadsheet.

- 5. 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.

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:**

- a. \$175.18
- b. \$188.13
- c. \$179.39
- d. January \$204.56 February - \$179.72 March - \$144.84 April - \$126.19 May - \$134.57

- 6. 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 refer to "Exhibit 6" in the attached Excel spreadsheet.

- 7. Explain how the utility calculates bad debt.
  - a. Explain the decision criteria governing when the utility writes off bad debt.

### **Response:**

At the end of each month, a Bad Debt Write-Off Process Report is generated for any account that has final billed before the 15<sup>th</sup> of the month. The time frame needed is determined by going back 4 months from the current month.

Example: The write-offs process will be run on June 29, 2020 and the date to use for the write-offs would be February 15, 2020.

Any account that final billed before February 15, 2020 and has a balance owed on June 29, 2020 would qualify for the bad debt write-off. We check the Bad Debt Write-Off Report before running the write-off process to make sure all the accounts need to be written off. If we find any accounts that are making good faith payments, we do not write these accounts off at this time. After checking the report the write-offs will be processed.

b. Provide the monthly bad debt write-offs for each month in 2018, 2019, and 2020.

### **Response:**

Please refer to "Exhibit 7b" in the attached Excel spreadsheet.

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:**

Nolin has not changed its calculation or determination of bad debt in the past two years.

Response No. 8 Page 1 of 1 Witness: Gregory R. Lee

# Nolin Rural Electric Cooperative Corporation Case No. 2020-00085 Commission Staff's Initial Request for Information

8. 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:**

As of June 30, 2020 Nolin has 989 total accounts that would be subject to disconnection in the following classes. These disconnections are based on bills that were issued in the month of May 2020.

| Residential                             | 966 |
|---|-----|
| Commercial/Industrial (1000KVA or less) | 23  |
| Commercial/Industrial (Over 1000 KVA)   | 0   |
| Public Street & Highway Lighting        | 0   |

Total Subject to disconnection: 989

- 9. 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:**

- a. 84.29%
- b. 84.84%
- c. 85.92%
- d. January 85.48% February – 85.37% March – 86.22% April – 87.27% May – 87.70%

Due to the reporting limitations, we are unable to get this information per customer class.

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# Nolin Rural Electric Cooperative Corporation Case No. 2020-00085 Commission Staff's Initial Request for Information

10. 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.

#### **Response:**

Please refer to "Exhibit 10" in the attached Excel spreadsheet.

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# Nolin Rural Electric Cooperative Corporation Case No. 2020-00085 Commission Staff's Initial Request for Information

- 11. Provide the total income received from late payment fees for:
  - a. Each month in 2017;
  - b. Each month in 2018;
  - c. Each month in 2019; and
  - d. Each month in 2020.

## **Response:**

Please refer to "Exhibit 11" in the attached Excel spreadsheet.

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# Nolin Rural Electric Cooperative Corporation Case No. 2020-00085 Commission Staff's Initial Request for Information

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

### **Response:**

Please refer to "Exhibit 12" in the attached Excel spreadsheet.

13. 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:**

Main phone greeting effective 3/17/2020:

Thank you for calling Nolin RECC. Due to the current public health situation and resulting impact on our membership, we are temporarily waiving new late fees and will not disconnect service due to non-payment or disconnect prepay accounts for low funds. Please be aware that balances will still accrue during this time. We will continue to send delinquent notices to members in arrears to help them keep track of their balance as well as provide a notice to submit to any agencies for financial assistance. Any members facing financial difficulty during this time are asked to speak with a Customer Service Representative by pressing 2.

Make a payment, 4 Questions about your account, 2 Ditch inspections or other engineering requests, 5 Report an outage, 6 Meeting center requests or energy audits, 7 Company directory, 8 Office hours and locations, 9 Speak to an operator, 0 Hear this message again, #

# Bill Print Messages and Messenger Notifications starting 03/16/2020

**Bill Print Messages** 



Per PSC Order, Nolin is temporarily waiving new late fees beginning March 16 through April 14. During this period you will be responsible for the net amount due as shown on your bill.

Message after April 14, 2020

# A MESSAGE FROM YOUR CO-OP

Nolin continues to temporarily waive new late fees due to the current public health situation. During this period you will be responsible for the net amount due as shown on your bill.

### PNS (Phone Notification System Message)

This is a courtesy call from Nolin Rural Electric. Due to the FACT Act, Nolin will not negotiate payment arrangements with any one other than the member. Due to the current public health situation and resulting impact on our membership, we are not disconnecting services at this time. Please remember that night deposits are available at the Elizabethtown and Radcliff offices to accept payments after five pm. You may also pay your bill online at www dot nolin r e c c dot com by clicking my account. To pay by phone you will need your account number and dial 1, 8, 5, 5, 3, 5, 6, 6, 3, 5, 9,. If you have received this call in error, please notify us immediately at 2, 7, 0, 7, 6, 5, 6, 1, 5, 3. Thank you for your assistance in this matter.

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# Nolin Rural Electric Cooperative Corporation Case No. 2020-00085 Commission Staff's Initial Request for Information

#### **Email Notifications**

**Bill Available Notification** 



## Your Electric Bill is Available



John Smith,

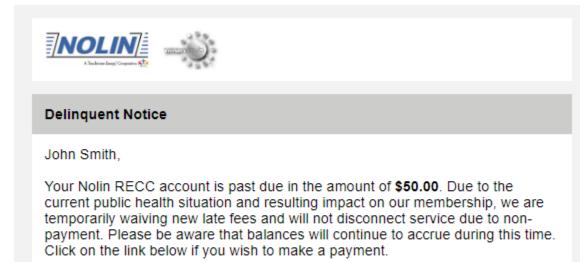
Your bill is available for the following account:

Due to the current public health situation and resulting impact on our membership, we are temporarily waiving new late fees.

> Account: 123456 Service Location: 123 Main Street

> > Amount: \$120.00 Due Date: Jun 24, 2020 Paid With: Credit Card Draft Date: Jun 24, 2020

#### DQ Notice - Notices went out but no additional fees were added.



Account: 123456 Service Location: 123 Main Street

#### **Cutoff Notification**



**Cutoff Notice** 

John Smith,

Your Nolin RECC bill is past due for the following account(s):

Your account is past due in the amount of **\$50.00**. Due to the current public health situation and resulting impact on our membership, we are temporarily waiving new late fees and will not disconnect service due to non-payment. Please be aware that balances will continue to accrue during this time. Click on the link below if you wish to make a payment.

Account: 123456 Service Location: 123 Main Street

Current Amount: \$50.00 Past Due Amount: \$50.00 Total Amount Due: \$100.00



#### Prepaid Account Balance Depleted

John Smith,

Your prepaid credit balance is **depleted** for account 123456. At this time the **amount owed is \$36.00**. Under normal circumstances, we would disconnect service on a prepay account for an insufficient balance. Due to the current public health situation, we will temporarily not disconnect service for low funds. You are still responsible for any balance accrued during this time.

If you do not wish to accrue a balance, please contact us immediately to disconnect service 270-765-6153. Thank you for your immediate attention to this important matter.



#### Prepaid Low Balance Below Cutoff

John Smith,

Your prepaid credit balance is running low for account 123456. As a courtesy, we are alerting you that your Nolin prepay electric account is low on funds. Under normal circumstances, we would disconnect service on a prepay account for a depleted balance. Due to the current public health situation, we will temporarily not disconnect service for low funds. You are still responsible for any balance accrued during this time.

If you do not wish to accrue a balance, please contact us immediately to disconnect service 270-765-6153. Thank you for your immediate attention to this important matter.

The following message has appeared on the homepage our website (www.nolinrecc.com) since March 16, 2020 after an initial message was posted and sent in a press release to local media that alerted members to lobby closures on March 13, 2020. This message was also posted to our social media channels (dates and screenshots below).

Updated Coronavirus (COVID-19) response March 16, 2020. Please remember that our office lobbies are closed starting today:

With the uncertainty created by the coronavirus pandemic, we know that the people we serve are facing many concerns. Guided by cooperative values, Nolin RECC is dedicated to doing what we can to fulfill our civic duty and live up to the trust that our members place in us to bring them safe, affordable and reliable power.

As a cooperative, we have a responsibility to do what is in the best interest of all of our members. By closing our lobbies, Nolin RECC is limiting the direct exposure of our employees and members. Our service and field personnel will also be employing "social distancing." Our goal is to decrease the likelihood of illness and resulting work disruptions so that we can continue to provide our members continuity of service. Members are still able to pay bills, start service, and conduct all other necessary business through our free SmartHub app, our website, by phone, the night deposit, or the drive-thru. Anyone with questions regarding any of these options can call 270-765-6153. We ask that anyone who can do business by phone to please do so in order to keep drive-thru times down.

In addition, in consultation with the Public Service Commission which regulates Nolin RECC, we are prepared to forgo the disconnecting of service to members for non-payment or low funds and suspend new late fees for a limited time. While this is not normal procedure, we are sensitive to the well-being of all our members. Though disconnects may not occur, it remains the responsibility of each account holder to pay as they can, which will help avoid a larger balance in the future. Bills, late notices, and disconnect notices will continue to be sent as usual. We encourage any member who is facing financial difficulty during this time to call us. As we move through this challenging time together, Nolin is dedicated to finding the best solutions for our membership and our communities.

Below is a screenshot of the message as it has appeared on our website beginning March 16, 2020.



As we move through this challenging time together, Nolin is dedicated to finding the best solutions for our membership and our communities.

The above statement was posted to our social media channels including Facebook (screenshot below), Instagram and Twitter on March 16, 2020.

| Activity Log   |   |   | 2019                                 |
|--|---|---|--------------------------------------|
| 09   | Even though our lobbles are closed, our employees are<br>still here to serve our members - they are even wearing<br>preven in hore of Sk Patricks by Calito und fine at 270-<br>786-9153 for any business needs It possible - also check<br>out our the Samiraba pay, weaker (own outniers, com)<br>and right depository. Our drive-thrus are open M-F &<br>5pm. accogent/weaking it and anter they in the part of the<br>part of the second memory of the part of the part of the<br>part of the part of the part of the part of the part of the<br>part of the part of the part of the part of the part of the<br>part of the part of the part of the part of the part of the<br>part of the part of the part of the part of the part of the<br>part of the part of the<br>part of the part of the<br>part of the part of the<br>part of the part of the<br>part of the part of the<br>part of the part of the<br>part of the part of the<br>part of the part of the<br>part of the part  |   | 2018<br>2017<br>2016<br>2015<br>2014 |
| IS MARCH 16  |   |   |                                      |
| ans to Your I The Aural Electric Cooperative Corporation         | Here's Reparts<br>Lear 2<br>Lear 2<br>L | Ø |                                      |
| Neite Runt Dechic Cooperative<br>Corporation access a new photo. | <text><text><text><text><text></text></text></text></text></text>   | 0 |                                      |

The following is the image that contains a shortened version of the above statement. This statement has served as the banner photo for our Facebook page since March 23, 2020 (this is the updated version with our new logo, the statement remained the same as the previous version).

|                                     | Boost Your Post  A few more phot" is one of your most engaging posts. Boost it to get more reactions, comments, and shares. Boost Post  |  |  |  |  |  |
|-------------------------------------|---|--|--|--|--|--|
| Nolin Rural Electric<br>Cooperative | A Touchstone Energy' Cooperative  |  |  |  |  |  |
| Corporation<br>@NolinRECC           | We are currently not disconnecting service to members for non-payment or low funds and are suspending new late fees for a limited time.   |  |  |  |  |  |
| Home                                | While this is not normal procedure, we are sensitive to the well-being of all our members.  |  |  |  |  |  |
| About                               | Though disconnects may not occur, it remains the responsibility of each account holder to pay as they can, which will help avoid a larger balance in the future. Bills, late notices, and disconnect notices will continue to be sent as usual. |  |  |  |  |  |
| Services                            |   |  |  |  |  |  |
| Events                              | We encourage any member who is facing financial difficulty to call us at 270-765-6153.  |  |  |  |  |  |
| Photos                              |   |  |  |  |  |  |
| Videos                              | Liked V A Following V Ashare ···· Send Message A  |  |  |  |  |  |

On May 6, 2020, we posted the following on our Facebook (image below), Instagram and Twitter:

We care about our members and will continue to work with those who are experiencing unemployment or underemployment as a result of the current public health situation. We encourage members to pay what they can, when they can, to avoid a large, deferred electric bill later. Call us to talk about your options and make arrangements if necessary 270-765-6153.

To find out what resources are available for assistance, contact your local Community Action office. A new LIHEAP deadline was recently announced. Hardin County – 270-234-5854 Larue County – 270-358-3937 For information about other locations and what programs are offered, go to https://www.capky.org/services/

For information on the CARES Act, stimulus checks, the Business Paycheck Protection Program (PPP); additional small business assistance and information about Low-Income Home Energy Assistance (LIHEAP) Funding; and more, go to https://www.togetherwesaveky.com/node/76

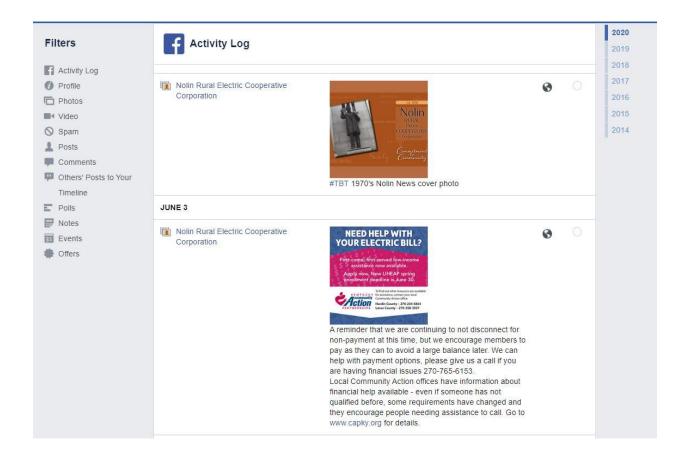
# For additional Kentucky COVID-19 information, go to www.kycovid19.ky.gov

| ilters  | Activity Log  |   |   |   | <b>2020</b><br>2019                  |
|---|---|---|---|---|--------------------------------------|
| Activity Log<br>Profile<br>Photos<br>Video<br>Spam              | Nolin Rural Electric Cooperative<br>Corporation                                       |   | 0 |   | 2018<br>2017<br>2016<br>2015<br>2014 |
| Posts<br>Comments<br>Others' Posts to Your<br>Timeline<br>Polls |   | May is Electrical Safety Month. This video shows the<br>dangers of making contact with electric wire #staysafe  |   |   |                                      |
| Notes   | MAY 6   |   |   |   |                                      |
| ∎ Events<br>▶ Offers  | Nolin Rural Electric Cooperative<br>Corporation replied to Amber Hacker's<br>comment. | NEED HELP WITH<br>YOUR ELECTRIC BLL2<br>With the stand of the stand<br>With the sta | 0 | 1 |                                      |
|   | Nolin Rural Electric Cooperative<br>Corporation                                       | <ul> <li>NEED HELP WITH UNIT AND AND AND AND AND AND AND AND AND AND</li></ul>  | 0 |   |                                      |

On June 3, 2020, we posted the following on our Facebook (image below), Instagram and Twitter:

A reminder that we are continuing to not disconnect for non-payment at this time, but we encourage members to pay as they can to avoid a large balance later. We can help with payment options, please give us a call if you are having financial issues 270-765-6153.

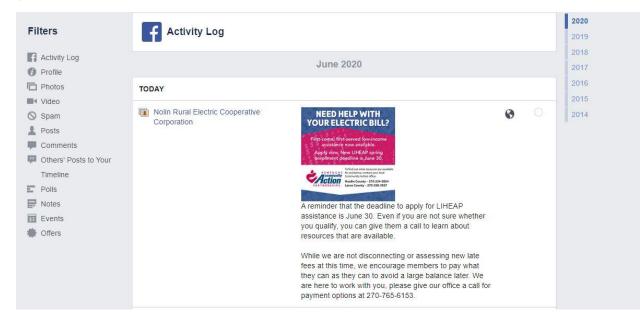
Local Community Action offices have information about financial help available - even if someone has not qualified before, some requirements have changed and they encourage people needing assistance to call. Go to <u>www.capky.org</u> for details.



On June 24, 2020, we posted the following to Facebook (image below), Instagram and Twitter:

A reminder that the deadline to apply for LIHEAP assistance is June 30. Even if you are not sure whether you qualify, you can give them a call to learn about resources that are available.

While we are not disconnecting or assessing new late fees at this time, we encourage members to pay what they can as they can to avoid a large balance later. We are here to work with you, please give our office a call for payment options at 270-765-6153.



14. 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:**

### **Estimated Values:**

| Sick Leave - COVID-19                        | \$29,277.34  |
|--|--------------|
| Sanitizer & Other Disinfectant Paraphernalia | \$3,280.94   |
| Gloves & Masks                               | \$3,885.78   |
| Themometers                                  | \$502.66     |
| Plexiglass Sneeze Guards & Lobby Signage     | \$2,723.86   |
| Humidifiers                                  | \$559.56     |
| Total:                                       | \$40,230.14  |
| Decreased Income                             |              |
| Late Fees                                    | \$110,374.33 |
| Connect Fees                                 | \$19,600.00  |
| Write-Offs                                   | TBD          |
| Total:                                       | \$129,974.33 |

In addition to these quantified costs, Nolin RECC has also seen significant decreases in consumer sales. While it is very difficult to quantify a value that should be placed directly on COVID-19 verses what is a result of routine changes in weather patterns, extended shutdowns and curtailments of numerous commercial businesses and industrial plants within Nolin's service territory certainly contributed to a reduction in income.

15. 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:**

Specific Cost Decreases

| Training Reduction              | \$3,470.00   |
|---------------------------------|--------------|
| Line Inspection (Deferred Cost) | \$123,000.00 |
| Meter Testing (Deferred Cost)   | \$70,477.00  |
| Annual Meeting Format Savings   | \$30,000.00  |
| Total:                          | \$226,947.00 |

\* We have no known quantifiable increases in income as a result of COVID-19.

In addition to these quantified costs, Nolin RECC has also seen decreases in wholesale power costs. While it is very difficult to quantify a value that should be placed directly on COVID-19 verses what is a result of routine changes in weather patterns, extended shutdowns and curtailments of numerous commercial businesses and industrial plants within Nolin's service territory certainly contributed to a reduction in power costs.

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

### **Response:**

As an institution in Hardin, Larue, and other counties in Central Kentucky for over 80 years, Nolin RECC understands it has a civic duty and obligation to make intentional effort to work toward solutions with its membership. The significant negative economic and financial ramifications of the COVID-19 pandemic exacerbate the need for that approach and leaves us committed to brokering amicable arrangements with those members who are struggling during these unprecedented times.

As we have continued to do throughout this pandemic period, we are communicating with our members to best inform them of our intentions to help them work through this challenging situation. This would allow our members to make payments over time rather than be faced with a large, perhaps insurmountable outstanding balance at the conclusion of the moratorium. Despite our best efforts, many delinquent accounts have not heeded our word. We are concerned that we will have many cases where efforts for arrangement are not made until our standard disconnect policies are reinstated.

Nolin RECC requests that the Commission strongly consider lifting the moratorium on disconnects so that we can begin to make more progress in reaching payment arrangements with our members with delinquent balances. Doing so sooner rather than later will help alleviate increased difficulty on members whose accounts will continue to increase in outstanding balance each day the moratorium continues.

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# Nolin Rural Electric Cooperative Corporation Case No. 2020-00085 Commission Staff's Initial Request for Information

17. 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:**

As of July 1, 2020, for the duration of the period since the moratorium on disconnects was established, Nolin RECC has seen 752 prepay accounts (approximately 32% of total) drop into a negative balance for a total of \$129,714.70.