

July 8, 2020

Mr. Kent Chandler  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Re: Case No. 2020-00085

Dear Mr. Chandler:

Enclosed is Clark Energy Cooperative's response to the Staff's First Request for information dated June 23, 2020 for the above-referenced case..

The documents filed electronically are a true representation of the originals to be provided within thirty days of the lifting of the current state of emergency.

If you need any additional information please contact me at [heades@clarkenergy.com](mailto:heades@clarkenergy.com) or (859) 901-9218.

Sincerely,

A handwritten signature in blue ink that reads "Holly S. Eades".

Holly S. Eades  
Vice President, Finance

Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION  
CASE NO. 2020-00085

CERTIFICATION

Holly S. Eades, Vice President of Finance for Clark Energy Cooperative, Inc., being duly sworn, states as follows with regards to the Responses filed by Clark Energy Cooperative, Inc. in Case No. 2020-00085, now pending before the Public Service Commission of the Commonwealth of Kentucky:

1. That she is the person supervising the preparation of the responses on behalf of Clark Energy Cooperative, Inc.
2. That the responses are true and accurate to the best of her knowledge and belief.

Witness my hand as of this 8th day of July, 2020.

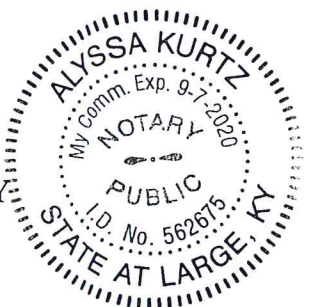
  
\_\_\_\_\_  
Holly S. Eades

COMMONWEALTH OF KENTUCKY  
COUNTY OF CLARK

The foregoing Certification was subscribed, sworn to and acknowledged before me by Holly S. Eades, Vice President of Finance for Clark Energy Cooperative, Inc., this the 8 day of July, 2020

  
\_\_\_\_\_

NOTARY PUBLIC, STATE AT LARGE, KY



**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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

**Response:**

Clark customer count as of May 31, 2020 is 26,593.

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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

**Response:**

Residential	25,067
Commercial/Small	1,840
Commercial/Large	1
Public/Highway Lighting	<u>45</u>
	26,593

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

3. 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
  - d. Each month in 2020

**Response:**

- a. 2017 \$ 144.02
- b. 2018 \$ 158.99
- c. 2019 \$ 149.97
  
- d. 2020  
    January \$ 168.57  
    February \$ 186.02  
    March \$ 154.25  
    April \$ 135.52  
    May \$ 126.47

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

4. 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
  - d. Each month in 2020

**Response: a – d**

	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Residential</b>	\$ 120.73	\$ 135.21	\$ 127.20
<b>Commercial/Small</b>	\$ 415.93	\$ 436.08	\$ 415.26
<b>Comm/Industrial Sales-large</b>	\$ 72,247.39	\$ 82,231.01	\$ 73,960.16
<b>Public Street/Hway Lighting</b>	\$ 315.31	\$ 332.02	\$ 402.81

	<b>2020</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>	<b>April</b>	<b>May</b>
<b>Residential</b>	\$	147.33	\$ 165.29	\$ 134.45	\$ 116.73	\$ 108.16
<b>Commercial/Small</b>	\$	408.77	\$ 421.29	\$ 377.33	\$ 360.54	\$ 337.24
<b>Comm/Industrial Sales-large</b>	\$	81,196.21	\$ 78,070.27	\$ 76,752.96	\$ 49,800.45	\$ 65,668.57
<b>Public Street/Hway Lighting</b>	\$	289.19	\$ 280.66	\$ 257.27	\$ 254.84	\$ 249.47

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

5. Provide the average total bill for current service for all customers:
- a. 2017 as a year, not each month
  - b. 2018 as a year, not each month
  - c. 2019 as a year, not each month
  - d. Each month in 2020

**Response:**

- a. 2017 \$ 139.47
- b. 2018 \$ 152.90
- c. 2019 \$ 145.28
  
- d. 2020  
    January \$ 164.71  
    February \$ 180.50  
    March \$ 144.32  
    April \$ 123.82  
    May \$ 114.13

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

6. 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
  - d. Each month in 2020

**Response: a. – d.**

	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Residential</b>	\$ 115.85	\$ 128.67	\$ 122.16
<b>Commercial/Small</b>	\$ 415.93	\$ 436.08	\$ 415.26
<b>Comm/Industrial Sales-large</b>	\$ 72,274.39	\$ 82,231.01	\$ 73,960.16
<b>Public Street/Hwy Lighting</b>	\$ 315.31	\$ 332.02	\$ 402.81

	<b>2020</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>	<b>April</b>	<b>May</b>
<b>Residential</b>	\$	143.17	\$ 159.35	\$ 123.77	\$ 104.21	\$ 94.89
<b>Commercial/Small</b>	\$	408.77	\$ 421.29	\$ 377.33	\$ 360.54	\$ 337.24
<b>Comm/Industrial Sales-large</b>	\$	81,196.21	\$ 78,070.27	\$ 76,752.96	\$ 49,800.45	\$ 65,668.57
<b>Public Street/Hwy Lighting</b>	\$	289.19	\$ 280.66	\$ 257.27	\$ 254.84	\$ 249.47



**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

7. 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:

Clark uses the month-end aging report to estimate bad debt expense. The estimate is made by using 100% of the 90-day balances and 50% of the 60-day balances.

- a. Bad debts are written off 60 to 90 days after the disconnect date.
- b. See attached.
- c. Clark has not changed its calculation or determination of bad debts in the last two years.

Item 7 b  
Page 2 of 2

Witness: Holly S. Eades

Date	Reference	Amount
1/31/2018	UA WRITE OFF	6,212.36
2/28/2018	UA WRITE OFF	2,602.46
3/31/2018	UA WRITE OFF	5,148.03
4/30/2018	UA WRITE OFF	14,616.61
5/31/2018	UA WRITE OFF	24,113.59
6/30/2018	UA WRITE OFF	25,892.41
7/31/2018	UA WRITE OFF	13,192.40
8/31/2018	UA WRITE OFF	14,238.84
9/30/2018	UA WRITE OFF	7,761.44
10/31/2018	UA WRITE OFF	7,085.39
11/30/2018	UA WRITE OFF	8,244.92
12/31/2018	UA WRITE OFF	7,778.96
		<hr/>
		\$ 136,887.41
1/31/2019	UA WRITE OFF	5,152.85
2/28/2019	UA WRITE OFF	4,517.37
3/31/2019	UA WRITE OFF	10,348.68
4/30/2019	UA WRITE OFF	8,261.60
5/31/2019	UA WRITE OFF	13,617.09
6/30/2019	UA WRITE OFF	19,340.40
7/31/2019	UA WRITE OFF	10,623.08
8/31/2019	UA WRITE OFF	6,181.26
9/30/2019	UA WRITE OFF	2,517.04
10/31/2019	UA WRITE OFF	5,790.70
11/30/2019	UA WRITE OFF	4,273.26
12/31/2019	UA WRITE OFF	6,660.59
		<hr/>
		\$ 97,283.92
1/31/2020	UA WRITE OFF	6,542.78
2/29/2020	UA WRITE OFF	1,804.46
3/31/2020	UA WRITE OFF	11,229.23
4/30/2020	UA WRITE OFF	12,410.50
5/31/2020	UA WRITE OFF	7,165.02
		<hr/>
		\$ 39,151.99

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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:

Clark's aging report, which is not available by class, as of June 30, 2020, has 2,826 accounts that have a balance over 30 days and would be subject to disconnection.

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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
  - d. Each month in 2020

**Response:**

Clark does not track penalty charges by class. The following is percentages of sales paid on time for all customers. Penalties were not charged after March 9, 2020.

- |         |                 |
|---------|-----------------|
| a. 2017 | 98.90%          |
| b. 2018 | 98.92%          |
| c. 2019 | 98.97%          |
| d. 2020 | January 98.98%  |
|         | February 99.04% |

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

10. Provide the following information for January 1, 2015 until December 31, 2019. Further, provide the information by class;
- a. Provide monthly totals of service termination notices issued to customers only for nonpayment of bills.
  - b. Provide monthly totals of termination for customers only for nonpayment of bills.
  - c. Provide the total number of customers for each month.

**Response:**

Clark does not have a report isolating the specific number of customers who receive disconnect notices by month. The information provided below would include customers who may have received multiple notice and/or disconnections.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual billings	324,221	326,422	329,359	331,999	331,540
Disconnect notices	55,113	55,923	54,839	54,609	51,138
Percentage received notices	17.00%	17.13%	16.65%	16.45%	15.42%
Accounts disconnected	1,970	1,771	1,918	2,268	2,336
Percentage of annual billings disconnected	0.61%	0.54%	0.58%	0.68%	0.70%

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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:**

See attached

Witness: Holly S. Eades

Date	Reference	Amount	
1/31/2017	BILLING MEND REVENUE/LATE FEES	-57,908.80	
2/28/2017	BILLING MEND REVENUE/LATE FEES	-53,493.43	
3/31/2017	BILLING MEND REVENUE/LATE FEES	-41,781.22	
4/30/2017	BILLING MEND REVENUE/LATE FEES	-41,046.40	
5/31/2017	BILLING MEND REVENUE/LATE FEES	-31,208.21	
6/30/2017	BILLING MEND REVENUE/LATE FEES	-30,318.79	
7/31/2017	BILLING MEND REVENUE/LATE FEES	-36,884.60	
8/31/2017	BILLING MEND REVENUE/LATE FEES	-42,217.54	
9/30/2017	BILLING MEND REVENUE/LATE FEES	-42,870.32	
10/31/2017	BILLING MEND REVENUE/LATE FEES	-29,678.17	
11/30/2017	BILLING MEND REVENUE/LATE FEES	-32,835.67	
12/31/2017	BILLING MEND REVENUE/LATE FEES	-44,011.30	
		<u>-484,254.45</u>	<b>2017</b>
1/31/2018	BILLING MEND REVENUE/LATE FEES	-61,087.77	
2/28/2018	BILLING MEND REVENUE/LATE FEES	-72,860.19	
3/31/2018	BILLING MEND REVENUE/LATE FEES	-46,430.21	
4/30/2018	BILLING MEND REVENUE/LATE FEES	-38,091.24	
5/31/2018	BILLING MEND REVENUE/LATE FEES	-46,261.70	
6/30/2018	BILLING MEND REVENUE/LATE FEES	-34,287.28	
7/31/2018	BILLING MEND REVENUE/LATE FEES	-36,642.80	
8/31/2018	BILLING MEND REVENUE/LATE FEES	-39,987.27	
9/30/2018	BILLING MEND REVENUE/LATE FEES	-39,477.46	
10/31/2018	BILLING MEND REVENUE/LATE FEES	-34,479.38	
11/30/2018	BILLING MEND REVENUE/LATE FEES	-31,514.70	
12/31/2018	BILLING MEND REVENUE/LATE FEES	-43,498.22	
		<u>-524,618.22</u>	<b>2018</b>
1/31/2019	BILLING MEND REVENUE/LATE FEES	-52,005.08	
2/28/2019	BILLING MEND REVENUE/LATE FEES	-62,624.27	
3/31/2019	BILLING MEND REVENUE/LATE FEES	-51,515.44	
4/30/2019	BILLING MEND REVENUE/LATE FEES	-38,253.86	
5/31/2019	BILLING MEND REVENUE/LATE FEES	-29,679.55	
6/30/2019	BILLING MEND REVENUE/LATE FEES	-29,873.20	
7/31/2019	BILLING MEND REVENUE/LATE FEES	-31,820.68	
8/31/2019	BILLING MEND REVENUE/LATE FEES	-41,965.35	
9/30/2019	BILLING MEND REVENUE/LATE FEES	-35,903.09	
10/31/2019	BILLING MEND REVENUE/LATE FEES	-40,054.71	
11/30/2019	BILLING MEND REVENUE/LATE FEES	-22,943.50	
12/31/2019	BILLING MEND REVENUE/LATE FEES	-43,020.26	
		<u>-479,658.99</u>	<b>2019</b>
1/31/2020	BILLING MEND REVENUE/LATE FEES	-45,169.55	
2/29/2020	BILLING MEND REVENUE/LATE FEES	-46,394.84	
3/31/2020	BILLING MEND REVENUE/LATE FEES	-9,197.47	
4/30/2020	BILLING MEND REVENUE/LATE FEES	0.70	
5/31/2020	BILLING MEND REVENUE/LATE FEES	0.00	
		<u>-100,761.16</u>	<b>2020</b>

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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

Response:

Clark does not know the actual amount of fees that would have been assessed since the order in March. The estimated amount of revenue loss from penalties, through June 30, 2020, is \$140,000.



**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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:

See attached PDF, Clark member communications.

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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:

Clark Energy continues to monitor the circumstances surrounding the COVID-19 pandemic and related state of emergency. While it is not possible to provide a complete accounting of the cost associated, Clark would estimate that its costs are currently as follows:

<b>Expenses - COVID 19 - June 30, 2020</b>	
Payroll/labor/taxes/OH	\$43,427.73
Payment boxes/sub offices	\$406.75
Thermometers	\$228.88
Gloves/masks	\$587.96
Sanitizer/disinfecting/supplies	\$2,147.66
Est lost revenue/late fees	\$140,000.00
Est. lost revenues/collection fees	\$35,000.00
	<hr/>
	\$221,798.98

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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:

There have been less travel expenses incurred on the part of Clark's directors and employees, however, this travel is associated with training opportunities and the net value of this is not possible to quantify.

Clark Energy cancelled its annual meeting which resulted in cost savings. The cost of the 2019 annual meeting was \$21,568 which is a fair estimation of how much was saved in 2020.

Clark has not experienced any increase in income.

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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:

The long-term effect of COVID-19 on Clark Energy and its customers remains uncertain. Approximately four months into the current State of Emergency, it is clear that an increasing number of Clark Energy's customers have fallen behind on paying their electric bills and overall demand for electricity has declined from the same period last year. Thus, Clark Energy finds itself squeezed from two directions – a decrease in sales and greater delinquencies for payment of existing sales. As long as the current prohibition on disconnections and waiver of late charges persist, it will be impossible to tell how much of the increased delinquencies are based upon genuine need and how much are simply customers taking advantage of the situation by deferring payments without apparent consequence. Some evidence suggests that a portion of Clark Energy's customers are taking advantage of the prepay program to avoid making a deposit and not paying for energy consumed.

Clark Energy believes that some degree of certainty is needed. Even if the current prohibitions remain in effect for the foreseeable future, both customers and Clark Energy's leaders will greatly benefit from having some indication of any parameters the Commission might place on recovering past due amounts and resuming a more normal operational footing. Without this certainty, it becomes increasingly more difficult to make management decisions as the fiscal year draws closer and margins continue to erode.

**Clark Energy Cooperative, Inc.**  
**Case No. 2020-00085**  
**PSC Data Request**

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:

Clark has 147 customers on prepaid billing. There are 43 customers that have a debit balance greater than \$50.00. The total overdue is \$13,395. The largest balance is \$1,048.28 and the average balance is \$ 311.51.

Over 48% of prepaid customers with a balance have not made a payment in over 60 days and over 37% have not made a payment in over 90 days.

**See attached page 2**

Clark Energy - Prepaid July 8, 2020

	Balance	Last Pymt Date
1	300.18	03/02/20
2	376.48	03/05/20
3	455.29	03/09/20
4	150.05	03/13/20
5	1,048.28	03/13/20
6	619.80	03/16/20
7	341.30	03/16/20
8	629.06	03/16/20
9	785.99	03/16/20
10	405.43	03/18/20
11	416.12	03/18/20
12	170.32	03/20/20
13	657.65	03/20/20
14	271.19	03/23/20
15	652.92	03/25/20
16	205.33	03/25/20
17	387.27	04/01/20
18	159.82	04/08/20
19	450.77	04/09/20
20	294.77	04/29/20
21	112.95	04/30/20
22	187.43	05/06/20
23	70.57	05/11/20
24	253.76	05/13/20
25	151.10	05/13/20
26	324.64	05/20/20
27	182.62	05/27/20
28	194.19	05/28/20
29	82.40	06/01/20
30	64.37	06/03/20
31	523.39	06/03/20
32	82.23	06/06/20
33	61.41	06/06/20
34	205.55	06/09/20
35	281.08	06/09/20
36	278.02	06/09/20
37	321.82	06/12/20
38	133.34	06/14/20
39	100.28	06/18/20
40	193.55	06/25/20
41	469.97	06/30/20
42	139.27	06/30/20
43	<u>203.18</u>	07/03/20
	13,395.14	