#### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC EMERGENCY DOCKET RELATED TO THE NOVEL CORONAVIRUS COVID-19 CASE NO. 2020-00085

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#### RESPONSE OF SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TO COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO EACH OF EAST KENTUCKY POWER COOPERATIVE, INC.'S MEMBER COOPERATIVES AND BIG RIVERS ELECTRIC CORPORATION'S MEMBER COOPERATIVES

FILED: JULY 20, 2020

#### **COMMONWEALTH OF KENTUCKY**

#### **BEFORE THE PUBLIC SERVICE COMMISSION**

#### **IN THE MATTER OF:**

### **ELCTRONIC EMERGENCY DOCKET RELATED TO THE NOVEL CORNAVIRUS** COVID-19

CASE NO. 2020-00085

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#### **CERTIFICATION**

### **STATE OF KENTUCKY**

#### **COUNTY OF PULASKI**

Michelle D. Herrman, being duly sworn, states that she has supervised the preparation of the Responses of South Kentucky RECC to the Public Service Commission's Order contained in the above-referenced case dated June 23, 2020, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Michelu D. Heyman Vice President of Finance & Member Services

Subscribed and sworn before me on the 17 day of July, 2020.

Kendra, Baker Notary Public

My Commission Expires Aug. 15, 2020

# Item No. 1

# Witness: Michelle Herrman

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

## Response

Current Number of Customers as of 6/30/2020: 68,585

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 1.

Item No. 2

# Witness: Michelle Herrman

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

## Response

Current Number of Customers per Class as of 6/30/2020

Class Description	
Residential Sales	62,490
Comm. and Ind. 1000kVA or Less	5,132
Comm. and Ind. over 1000kVA	30
Public Street and Highway Lighting	21
Other Sales to Public Auth.	912
Grand Total	68,585

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 2.

Item No. 3

## Witness: Michelle Herrman

- 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

Average Total Billed for All Customers

		Annually	<b>Monthly</b>				
a.	2017	\$2,087.37	\$173.95				
b.	2018	\$2,295.50	\$191.29				
c.	2019	\$2,130.95	\$177.58				
d.	2020	<u>January</u>	February	<u>March</u>	<u>April</u>	<u>May</u>	June
		\$184.85	\$216.06	\$180.16	\$154.28	\$138.56	\$144.01

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 3.

Item No. 4

## Witness: Michelle Herrman

- 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

Average Total Bill for All Customers in each Class

a. b. c.	<u>201</u>	<u>17</u>	<u>20</u> 2	<u>18</u>	<u>201</u>	<u>19</u>
Class Description	<u>Annually</u>	Monthly	Annually	Monthly	Annually	Monthly
Residential Sales	\$1,534.01	\$127.83	\$1,746.58	\$145.55	\$1,603.41	\$133.62
Comm. and Ind. 1000kVA or Less	\$5,909.47	\$492.46	\$6,130.07	\$510.84	\$5,827.44	\$485.62
Comm. and Ind. over 1000kVA	\$526,011.21	\$43,834.27	\$534,364.17	\$44,530.35	\$500,871.50	\$41,739.29
Public Street and Highway Lighting	\$6,601.51	\$550.13	\$7,920.99	\$660.08	\$8,847.72	\$737.31
Other Sales to Public Auth.	\$1,649.81	\$137.48	\$1,934.05	\$161.17	\$1,808.63	\$150.72
d. <u>2020</u>	<u>January</u>	<b>February</b>	March	<u>April</u>	May	June
Residential Sales	\$146.24	\$169.73	\$142.73	\$117.52	\$106.11	\$110.28
Comm. and Ind. 1000kVA or Less	\$450.01	\$513.82	\$434.41	\$405.81	\$369.69	\$397.09
Comm. and Ind. over 1000kVA	\$36,346.92	\$45,665.61	\$34,414.83	\$33,445.26	\$27,504.09	\$28,328.26
Public Street and Highway Lighting	\$724.14	\$766.57	\$748.03	\$753.10	\$756.53	\$760.99
Other Sales to Public Auth.	\$163.71	\$197.76	\$164.81	\$110.99	\$86.15	\$89.75

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 4.

Item No. 5

## Witness: Michelle Herrman

- 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.

## Response

Average Bill for Current Service for All Customers

		<u>Annually</u>	<u>Monthly</u>				
a.	2017	\$1,843.76	\$153.65				
b.	2018	\$1,997.44	\$166.45				
c.	2019	\$1,884.39	\$157.03				
d.	2020	<u>January</u>	February	March	<u>April</u>	<u>May</u>	June
		\$166.76	\$195.13	\$156.68	\$131.90	\$120.15	\$125.46

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 5.

Item No. 6

### Witness: Michelle Herrman

- 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

Average Bill for Current Service for All Customers in each Class

a. b. c.	<u>20</u> 2	17	<u>201</u>	<u>18</u>	<u>20</u>	<u>19</u>
Class Description	Annually	Monthly	Annually	Monthly	<u>Annually</u>	Monthly
Residential Sales	\$1,297.88	\$108.16	\$1,449.50	\$120.79	\$1,362.13	\$113.51
Comm. and Ind. 1000kVA or Less	\$5,602.95	\$466.91	\$5,840.95	\$486.75	\$5,575.05	\$464.59
Comm. and Ind. over 1000kVA	\$516,170.57	\$43,014.21	\$525,272.11	\$43,772.68	\$486,245.37	\$40,520.45
Public Street and Highway Lighting	\$6,305.71	\$525.48	\$7,420.15	\$618.35	\$8,356.98	\$696.42
Other Sales to Public Auth.	\$1,556.56	\$129.71	\$1,789.48	\$149.12	\$1,681.31	\$140.11
d. <u>2020</u>	January	February	March	<u>April</u>	May	June
Residential Sales	\$127.94	\$150.95	\$118.53	\$95.16	\$87.75	\$91.50
Comm. and Ind. 1000kVA or Less	\$433.14	\$497.66	\$417.33	\$385.31	\$348.00	\$378.37
Comm. and Ind. over 1000kVA	\$36,346.92	\$40,028.30	\$34,414.83	\$32,874.51	\$27,504.09	\$28,328.26
Public Street and Highway Lighting	\$723.86	\$765.99	\$748.03	\$753.10	\$756.53	\$760.99
Other Sales to Public Auth.	\$152.51	\$187.52	\$152.54	\$94.40	\$81.67	\$86.95

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 6.

Item No. 7

### Witness: Michelle Herrman

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

a. Accounts are final billed upon electric service termination. Two reminder letters are sent if the final bill goes unpaid. After an account is final billed and remains unpaid for three (3) months, it goes into purge status. Accounts in purge status are final reviewed. After the final review, any remaining unpaid amounts are moved to uncollectible status. As this final review is accomplished monthly, accounts are determined uncollectible after remaining unpaid between 90-120 days, depending on the date of the final bill. Uncollectible accounts are turned over to a collection agency for collection. However, uncollectible balances are maintained in our member data system. If a member reinstates service with us in the future, the uncollectible amount remaining unpaid is collected.

For accounting purposes, bad debt is written off using an allowance method. The amount written off monthly as bad debt expense is based upon the combined member accounts receivable balances that are 60 and 90 days past due. Monthly, one-twelfth of the combined balance is written off to bad debt expense.

Month of	Month Moved			
Final Bill	to Uncollectible	2018	2019	2020
October	January	17,018	24,990	21,549
November	February	14,193	19,893	16,539
December	March	18,605	20,802	14,972
January	April	37,416	29,355	17,198
February	May	41,512	35,042	28,865
March	June	41,758	40,147	15,137
April	July	46,576	32,097	
May	August	35,169	23,370	
June	September	23,672	15,906	
July	October	15,080	20,627	
August	November	27,911	16,922	
September	December	20,652	16,747	

b. Monthly write-offs of accounts.

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 7.

c. There has been no change in the past two years in the method of determining uncollectible accounts.

## Item No. 8

# Witness: Michelle Herrman

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

Number of Customers in each class that would be subject to disconnection and the date used for this determination.

As of June 30, 2020

Class Description	
Residential Sales	3,118
Comm. and Ind. 1000kVA or Less	83
Comm. and Ind. over 1000kVA	0
Public Street and Highway Lighting	0
Other Sales to Public Auth.	2
Total Accounts	3,203

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 8.

Item No. 9

## Witness: Michelle Herrman

- 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

	Period	All Post -Pay	Prepay
9a.	2017	84%	100%
9b.	2018	84%	100%
9c.	2019	85%	100%
9d.	Jan-20	84%	100%
	Feb-20	86%	100%
	Mar-20	84%	71%
	Apr-20	85%	65%
	May-20	87%	65%
	Jun-20	*	61%

All Prepay members are residential.

Postpay information is unavailable by class.

As Prepay members are subject to cutoff daily, the Prepay data provides a snapshot at month end.

\* Not available currently.

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 9.

Item No. 10

## Witness: Michelle Herrman

- 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. Further, provide the following information by class.
  - a. Provide monthly totals of service termination notices issued to customers 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. 2019-00366.3 For reference, refer to Louisville Gas and Electric Company and Kentucky Utilities Company's response to Post-Formal Conference Request for Information filed with the Commission on March 6, 2020.

## Response

See page 2 of 2 for this response.

Our accounts subject to service terminations, per Item #8, is 3,203 as of 6/30/2020. Comparatively, our accounts subject to service terminations per the table on page 2 of this response, were 1,205 as of 6/30/2019. This is an increase in accounts subject to termination of 166%.

					All Ter	mination N	lotices and	Terminatio	ons For No	on-Paymer	t				
							2015 tł	rough 201	9	-					
										0.1					
									Electric	Only					
a.	Total service														
	termination notices	37			<b>F</b> 1	<b>N</b> 1						G ( 1	0.11	NT 1	
	issued.	Year	Annually	January	February	March	April	May	June	July	August	September		November	December
		2015	34,883	3,840	3,036	3,934	4,716	2,882	1,934	2,455	2,296	2,861	2,588	2,028	2,313
		2016	28,005	2,746	2,146	3,626	3,039	2,059	1,825	1,464	2,187	3,225	1,945	2,059	1,684
		2017	26,557	2,379	2,490	2,471	2,474	2,932	2,061	1,451	2,123	2,537	1,957	2,066	1,616
		2018	28,353	2,527	3,150	2,883	2,603	2,957	2,334	1,595	1,882	2,458	1,983	2,497	1,484
		2019	24,463	2,485	2,564	2,270	2,972	2,341	1,205	1,503	2,032	1,924	1,893	1,698	1,576
b.	Total service														
	terminations														
		2015	3,400	317	104	428	376	324	241	288	297	271	297	209	248
		2016	3,056	215	262	302	285	290	276	215	315	280	260	177	179
		2017	2,892	249	226	205	263	268	265	221	302	229	251	270	143
		2018	3,149	263	237	258	351	350	290	238	297	268	251	196	150
		2019	2,819	208	292	327	351	275	219	190	199	195	205	186	172
c.	Total Number of														
	Customers														
		2015		66,723	66,374	66,473	66,588	66,808	66,710	67,058	66,846	66,874	67,074	66,746	66,876
		2016		66,598	66,779	66,832	67,089	66,958	66,998	67,293	67,142	67,404	67,212	67,168	67,318
		2017		67,028	67,065	67,451	67,137	67,329	67,529	67,373	67,519	67,849	67,557	67,575	67,820
		2018		67,615	67,649	67,913	67,604	67,760	67,952	67,836	68,233	67,934	68,047	68,142	67,771
		2019		67,928	67,926	68,446	68,006	68,248	68,229	68,162	68,496	68,298	68,419	68,573	68,203

This information is unavailable by class.

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 10.

Item No. 11

## Witness: Michelle Herrman

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

South Kentucky assesses a 5% flat one-time fee on past due balances. Late Fees are not compounded on unpaid balances. Our collected late fees are listed in the table below.

	2017	<u>2018</u>	<u>2019</u>	<u>2020</u>
Jan	\$ 86,175.82	\$102,872.17	\$ 92,099.29	\$ 77,518.35
Feb	\$ 92,960.69	\$122,233.35	\$ 83,751.99	\$ 71,751.14
March	\$ 89,349.49	\$ 98,377.39	\$103,822.03	\$ 42,011.17
April	\$ 57,154.78	\$ 66,350.23	\$ 74,315.48	\$ (10.76)
May	\$ 61,737.36	\$ 75,322.26	\$ 66,399.59	\$ -
June	\$ 51,104.29	\$ 49,016.92	\$ 41,602.33	\$ -
July	\$ 51,525.23	\$ 64,206.01	\$ 59,773.97	\$ -
Aug	\$ 73,241.67	\$ 79,588.56	\$ 67,704.29	\$ -
Sept	\$ 68,697.88	\$ 58,277.72	\$ 63,905.95	\$ -
Oct	\$ 80,767.87	\$ 71,117.80	\$ 69,871.93	\$ -
Nov	\$ 57,143.31	\$ 59,507.19	\$ 42,909.61	\$ -
Dec	\$ 63,487.11	\$ 60,263.43	\$ 67,461.42	<u>\$ -</u>
Total	\$833,345.50	\$907,133.03	\$833,617.88	<u>\$191,269.90</u>

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 11.

## Item No. 12

## Witness: Michelle Herrman

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

## Response

	Approximate
Period	Amount
March 17, 2020 thru June 30, 2020	\$204,224

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 12.

## Item No. 13

## Witness: Michelle Herrman

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

South Kentucky has utilized multiple social media, website and print communication during this time.

See attachments 1 thru 26 to this response.



Ken Simmons, President & CEO

200 Electric Avenue Post Office Box 910 Somerset , KY 42502-0910 Telephone 606-678-4121 Toll Free 800-264-5112 Fax 606-679-8279 www.skrecc.com

### For Immediate Release

March 17, 2020

#### For more information, contact:

#### Joy Bullock (606) 872-3525

#### South Kentucky RECC Suspends Disconnections:

South Kentucky RECC understands the hardship some of its members will experience during this Coronavirus (COVID-19) situation. Therefore, SKRECC has suspended disconnections for non-payment, as well as late payment fees, for its members, including those utilizing the PrePay program.

South Kentucky RECC CEO Ken Simmons says the co-op has a strong track record of support and consideration to its member/owners through difficult situations, and we are firmly committed to working with and for members during these tumultuous times.

"One of the principles that South Kentucky RECC was founded on is 'concern for community.' We are taking these measures to help those that might be financially impacted due to the COVID-19 situation. South Kentucky RECC will continue to provide the quality service that our members expect, and we want to assure them that we continue to look for ways that we can support them at this time. Should any of our members have any questions or concerns, we encourage them to reach out to us and call their local office."

In addition, South Kentucky RECC, acting in accordance with the measures that are being taken across the state, closed all co-op office **lobbies**, effective Tuesday, March 17 until further notice, or we are given a defined timeline and restrictions are lifted by national/world health organizations. We understand and realize the inconvenience of this measure. However, the safety, health and well-being of our members and employees are always paramount. Please note that the drive-thru at each office will remain open.

South Kentucky RECC has several alternative methods for paying your bills. In addition to the drive-thru at each office, bills can be paid by telephone-(800) 264-5112, online at <u>www.skrecc.com</u>, by smart phone app (search SKRECC in App or Play stores) or at the Somerset kiosk. Members simply need their member number, located on their bill, to navigate these options. We also offer direct withdrawal and have a PrePay program, which allows members the option to pay for their electric before they use it or as they use it. Members can call their local offices or (800) 264-5112 with questions about or assistance with any of these options.

SKRECC cautions members that is the type of opportunity that scammers tend to try to take advantage of, and South Kentucky RECC wants members to beware of anyone posing as a co-op employee, particularly by telephone. Should you receive a phone call from someone claiming to be a representative of our organization, making threats of disconnection or demanding payments, please hang up and call your local office or (800) 264-5112. Never give any personal or financial information to someone who calls and claims to be from the co-op. If a member initiates the call to South Kentucky RECC to pay their bill or for some other business transaction, then it is safe to tell employees such information.

Currently, there are no reported cases of COVID-19 in our area, and South Kentucky RECC is trying to be proactive in its response. To stay up-to-date on any changes to South Kentucky RECC's operations, please follow us on social media: SKRECC on Facebook and Twitter and SoKyRECC on Instagram; or visit our web site at <u>www.skrecc.com</u>.



Ken Simmons, President & CEO

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### For Immediate Release

March 16, 2020

#### For more information, contact:

#### Joy Bullock (606) 872-3525

#### South Kentucky RECC Closes Lobbies:

South Kentucky RECC, acting in accordance with the measures that are being taken across the state, will be closing all co-op office **lobbies**, effective Tuesday, March 17 until further notice, or we are given a defined timeline and restrictions are lifted by national/world health organizations. We understand and realize the inconvenience for this measure. However, the safety, health and well-being of our members and employees are always paramount. Please note that the drive-thru at each office will remain open.

South Kentucky RECC has several alternative methods for paying your bills. In addition to the drive-thru at each office, bills can be paid by telephone-(800) 264-5112, online at <u>www.skrecc.com</u>, by smart phone app (search SKRECC in App or Play stores) or at the Somerset kiosk. Members simply need their member number, located on their bill, to navigate these options. We also offer direct withdrawal and have a PrePay program, which allows members the option to pay for their electric before they use it or as they use it. Members can call their local offices or (800) 264-5112 with questions about or assistance with any of these options.

SKRECC cautions members that is the type of opportunity that scammers tend to try to take advantage of, and South Kentucky RECC wants members to beware of anyone posing as a co-op employee, particularly by telephone. Should you receive a phone call from someone claiming to be a representative of our organization, making threats of disconnection or demanding payments, please hang up and call your local office or (800) 264-5112. Never give any personal or financial information to someone who calls and claims to be from the co-op. If a member initiates the call to South Kentucky RECC to pay their bill or for some other business transaction, then it is safe to tell employees such information.

Currently, there are no reported cases of COVID-19 in our area, and South Kentucky RECC is trying to be proactive in its response. To stay up-to-date on any changes to South Kentucky RECC's operations, please follow us on social media: SKRECC on Facebook and Twitter and SoKyRECC on Instagram; or visit our web site at <u>www.skrecc.com</u>.



Ken Simmons, President & CEO

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### For Immediate Release

March 13, 2020

#### For more information, contact:

Joy Bullock (606) 872-3525

#### South Kentucky RECC Responds to COVID-19:

South Kentucky RECC is always concerned about our community, including the health and safety of its members, employees and the general public, and we are taking steps now to be prepared in the event there is significant impact from the Coronavirus (COVID-19) in our communities.

Our goal is to keep key personnel, such as line workers and member service representatives, available during this situation, so we can continue to provide the reliable service you expect from us.

However, there are some things that we are doing to protect our members and employees from possible exposure to COVID-19 or any other illness. To that end, beginning Monday, March 16, all South Kentucky RECC community rooms will be closed through the end of May. We are contacting those individuals that had rented rooms to inform them of this decision. Because this is a rapidly changing situation, at this time, we will not be accepting any new reservations until we have clear insight on it, or national/world health organizations have lifted restrictions.

We are asking all non-essential visitors to our offices be limited during this event. South Kentucky RECC has taken additional housekeeping steps to keep offices as clean as possible, but we strongly encourage our members to voluntarily limit office visits and use alternative methods for paying their bills. Bills can be paid through the drive-thru at each office, by telephone-(800) 264-5112, online at www.skrecc.com, by smart phone app (search SKRECC in App or Play stores) or at the Somerset kiosk. Members simply need their member number, located on their bill, to navigate these options. We also offer direct withdrawal and have a PrePay program, which allows members the option to pay for their electric before they use it or as they use it. Members can call their local offices or (800) 264-5112 with questions about or assistance with any of these options.

This is the type of opportunity that scammers tend to try to take advantage of, and South Kentucky RECC wants members to beware of anyone posing as a co-op employee, particularly by telephone. Should you receive a phone call from someone claiming to be a representative of our organization, making threats of disconnection or demanding payments, please hang up and call your local office or (800) 264-5112. Never give any personal or financial information to someone who calls and claims to be from the co-op. If a member initiates the call to South Kentucky RECC to pay their bill or for some other business transaction, then it is safe to tell employees such information.

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200 Electric Avenue Post Office Box 910 Somerset , KY 42502-0910 Telephone 606-678-4121 Toll Free 800-264-5112

# For Immediate Release

April 27, 2020

For more information, contact:

Joy Bullock

Scammers Target South Kentucky RECC Members:

Electric cooperatives across Kentucky, including South Kentucky RECC, are reporting a surge in scammers attempting to exploit members amidst the COVID-19 crisis. Since the COVID-19 pandemic began its spread, members from South Kentucky RECC have reported receiving calls from someone claiming to work for the local electric co-op and threatening to disconnect service without immediate payment.

In March, South Kentucky suspended disconnections for non-payment and fees for late payments. SKRECC cautions that these temporary measures do not relieve members of the obligation to ultimately pay bills in full, and SKRECC is working with members to help keep their bills as current as possible.

South Kentucky RECC urges members to avoid arranging payment or divulging account or personal information, including debit or credit card information, over the phone unless you are certain you are speaking to SKRECC. If you are unsure, hang up and call the local office or (800) 264-5112. When making online payments, always double-check to ensure that you are on the correct website before submitting credit card information – www.skrecc.com .

SKRECC members who suspect a scamming attempt should contact their local office or (800) 264-5112 and the Kentucky Attorney General's office:

Online scam reporting form: ag.ky.gov/scams

Consumer Protection Hotline: 1-888-432-9257

Below are some tips South Kentucky RECC members should follow to protect themselves:

• Do not assume the name and number on your caller ID are legitimate. Caller IDs can be spoofed.

Albany 606-387-6476 Monticello 606-348-6771 Russell Springs 270-343-7500 Whitley City 606-376-5997

• Never share your personal information, including date of birth, Social Security number or banking account information.

- Never wire money to someone you don't know.
- Do not click links or call numbers in unexpected emails or texts especially those asking for your account information.
- South Kentucky RECC will NOT require members to purchase prepaid debit cards or money orders to avoid an immediate disconnection.
- If you receive a call that sounds like it may be a scam, or if you believe the call is a scam, hang up, call the police, report the incident to your SKRECC office, and report the call to the Attorney General's Office.

#### SKRECC Social Media Posts – Facebook, Twitter, Instagram



#### Suggested Sites 📙 Imported From IE 🏼 🍕 EECP - Login 🛛 😔 Go365 Wellness an... 😆 Files - D f Search Q oy 🌄 South Kentucky RECC ... lock [?] · March 17 · 📀 South Kentucky RECC Suspends Disconnections South Kentucky RECC understands the hardship some of its members will experience during this Coronavirus (COVID-19) situation. Therefore, SKRECC has suspended disconnections for non-payment, as well as late payment fees, for its members, including those utilizing the PrePay program South Kentucky RECC CEO Ken Simmons says the co-op has a strong Sourn Remucky RECO CEC Ven Simmons says the co-op has a stron track record of support and consideration to its member/owners throug difficult situations, and we are firmly committed to working with and for members during these tumultuous times. "One of the principles that South Kentucky RECC was founded on is concern for community.' We are taking these measures to help those that might be financially impacted due to the COVID-19 situation. South Kentucky RECC will continue to provide the quality service that our members expect, and we want to assure them that we continue to look for ways that we can support them at this time. Should any of our members have any questions or concerns, we encourage them to reach out to us and call their local office." In addition, South Kentucky RECC, acting in accordance with the measures that are being taken across the state, closed all co-op office lobbies, effective Tuesday, March 17 until further notice, or we are given a defined timeline and restrictions are lifted by national/world health organizations. We understand and realize the inconvenience of this measure. However, the safety, health and well-being of our members and employees are always paramount. Please note that the drive-thru at each office will remain open South Kentucky RECC has several alternative methods for paying your bills In addition to the drive-thru at each office, bills can be paid by telephone-(800) 264-5112, online at www.skrecc.com, by smart phone app (search SKRECC in App or Play stores) or at the Somerset klosk. Members simply need their member number, located on their bill, to navigate these options. We also offer direct withdrawal and have a PrePay program, which allows members the option to pay for their electric before they use if or as they use it. Members can call their local offices or (800) 264-5112 with questions about or assistance with any of these options SKRECC cautions members that is the type of opportunity that scammers Since Co calculate minimizes marks the type of point minimizes administration of the second s representative of our organization, making threats of disconnection or demanding payments, please hang up and call your local office or (800) 264-5112. Never give any personal or financial information to someone who calls and claims to be from the co-op. If a member initiates the call to South Kentucky RECC to pay their bill or for some other business transaction, then it is safe to tell employees such information. Currently, there are no reported cases of COVID-19 in our area, and South Contemp, inclearence of the protective in its response, to stay up-to-date on any changes to South Kentucky RECC's operations, please follow us on social media: SKRECC on Facebook and Twitter and SoKyRECC on Instagram; or visit our web site at www.skrecc.com

Social Media Post March 17 -Bottom is continuation



Social Media Post March 18





Social Media Post March 25



Social Media Post April 2



Social Media Post April 6



Social Media Post April 6



Social Media Post April 10





Social Media Post April 16

Social Media Post April 20



Notes

Offers

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Social Media Post April 27



1 Comment 10 Shares

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Social Media Post May 8



#### Item 13 Attachment 17 of 26





Notifications 6

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South Kentucky RECC

Inbox

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Social Media Post May 19



#### Social Media Post May 20

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#### Item 13 Attachment 19 of 26



#### Social Media Post June 3



Social Media Post June 10
#### Item 13 Attachment 20 of 26

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schatome Energy Cooperat	for more information about LIHEAP and other other COVID-19 relief programs, #WeAreSKRECC #capky #LIHEAP						
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Social Media Post June 17







General's Office.







Telephone 606-678-4121 Toll Free 800-264-5112 Fax 606-679-8279 www.skrecc.com

P.O. Box 910, Somerset, KY 42502-0910

June 24, 2020

John Doe 1234 Main Street Somerset, KY 42503

In response to the ongoing COVID-19 challenges within our community, South Kentucky RECC continues to temporarily suspend service disconnections due to nonpayment of bills. However, we encourage you to pay what you can, when you can, to avoid increased financial hardship in the future.

Kindly note, as of June 23, 2020, our records indicate that you have a past due balance of \$XXX.XX on your account. Because of this, we are reaching out to you to make you aware that you may be eligible for a financial assistance program to help you pay your electric bill.

The **Team Kentucky Fund**, provides assistance to Kentuckians who were employed at least thirty (30) hours per week on or after March 6, 2020 and who had a loss of employment or a reduction of more than 50% of income on or after March 6, 2020. We urge you to go to <u>teamkyfund.ky.gov</u> to find more information.

Similarly, the **Community Action Agencies' LIHEAP program** has been extended and income eligibility guidelines increased allowing more people to qualify. Details of the programs can be found at <u>capky.org</u> and at the following phone numbers:

Casey County- 606-787-9209 McCreary County- 606-376-2593 Russell County- 270-343-4565 Clinton County- 606-387-5880 Pulaski County- 606-679-6203 Wayne County- 606-348-8481

You may also find information by going to our website at <u>skrecc.com</u> or any of our social media pages.

Please know we are here to help and assist you. Feel free to contact any of our member service representatives at 606-678-4121 or at your local office listed below.

South Kentucky RECC

Item No. 14

Witness: Michelle Herrman

 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

Where identifiable, South Kentucky has segregated additional expenditures due to COVID-19 Healthy At Work initiatives. The additional costs related to personnel segregation, diminished efficiencies and COVID-19 pandemic planning are subjective and not included in our cost estimates. Decrease in income is difficult to quantify due to weather patterns. However, kWh sales are down through May 2020 over 2019 in all categories as follows. Significant decreases in commercial and public building usage is noticeable.

Member kWh Sales Data YTD	2020	2019	Change
Residential Sales	345,796,130	355,119,120	-2.63%
Commercial and Industrial Under 1,000 kVA	96,647,216	102,308,072	-5.53%
Commercial and Industrial Over 1,000 kVA	75,844,238	78,325,093	-3.17%
Public Street Lighting	368,399	380,437	-3.16%
Public Buildings & Authorities	5,430,868	6,131,003	-11.42%
Total	524,086,851	542,263,725	- <u>3.35</u> %

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 14 (a).

Our decrease in income estimates are below. Currently, accumulated unpaid bills for member electric usage provided is not included in these decrease in income estimates. These estimates in decrease income assume payment by members for electric usage that may be currently unpaid.

Cost Increases as of 6/30/20	)20				
Technology Items- Teleword	k l	\$	14,968		
COVID Related Signage and Advertising			6,350		
Disposable PPE- Gloves, Masks, Handsanitizer			2,831		
COVID Facility Security/Cl	eaning/Additional Supplies	\$	3,113		
				\$	27,262
Sneeze Guard Protection Ba	rriers for Member Service Stations				
(Estimated costs	s- Bids in process)	\$	22,000	\$	22,000
	Total Cost Increase:			\$	49,262
Decreased Income					
Lost Late Payment Penaltie	s (Estimated based upon delinquent bill amour	nt)			
	March	\$	44,992		
	April	\$	67,468		
	May	\$	43,127		
	June	\$	48,636		
				\$ 2	204,224
Loss in kWh Sales due to sc	hool/public building Closures				
Estimated based	l upon sales reduction over 2019				
Net of Power C	ost (March-May)(Not Weather Normalized)	\$	12,768		
Loss in kWh Sales due to G	eneral Business Closures				
Estimated based	l upon sales reduction over 2019				
Net of Power C	ost (March-May)(Not Weather Normalized)	\$	409,141		
				\$ 4	421,910
Reduction in Miscellaneous	Service Revenue- Connect/Reconnect				
Estimated based upon 2019 (March-May)		\$	19,092	\$	19,092
	Total Estimated Decreased Income:			\$	645,225

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 14 (b).

Item No. 15

## Witness: Michelle Herrman

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:**

South Kentucky has made intentional cost saving decisions to minimize the financial impact due to COVID-19. Some estimated results are listed below. Additional decreases related to other areas such as training and supplies are difficult to quantify.

Cost Decreases as of J	une 30, 202	<u>20</u>					
Furlough of leased Employees- Estimate					\$	34,157	
Annual Meeting Cance							
member apprec		\$	40,000				
Reduction in Overtime	e due to se	gregation	Scheduling- Est	imate	\$	49,000	
			Total decreased costs				\$ 123,157
Increased Income as of June 30, 2020							
There have been no areas of increased income.				\$	-	\$ -	
			Total Increased	Income			\$ 

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 15.

Item No. 16

#### Witness: Michelle Herrman

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:**

South Kentucky is deeply rooted in the communities we serve, and we remain committed to assisting our members through sensible and thoughtful action during this uncertain time. Our business model remains the same as it has since 1938, we are here for our members and our members are our owners. As seen in our response to question 17, the warmer temperatures result in higher electric usage and the potential for greater accumulation of arrearages. As with any task, the larger the climb the more discouraging it can become. Our desire is to minimize the impact on not only those who have been financially challenged during this time, but to all our member-owners who depend on South Kentucky to provide affordable and reliable electric service. The continuation of the moratorium will extend the financial burden of this event on all our members. We respectfully ask the Commission to please lift the moratorium so we can begin to work with our members (as we always have) who have fallen behind to establish a reasonable and mutually agreed upon solution to help reduce any potential increased financial burden while allowing them adequate time to bring their account current.

Item No. 17

Witness: Michelle Herrman

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

Our prepay program has been a valuable program for our members who either want more flexibility with their usage monitoring or who find it an effective tool in budgeting. Similarly, the lack of a required collateral deposit, makes it attractive for those whose credit may require such deposit. Our prepay program has been in effect since 2014 and the contractual program has become the choice for more than 4,000 of our members. Since the moratorium on disconnections, we now have more than 40% of these members with negative balances on their accounts. The combined arrearage balance continues to grow and is \$366,684.49 as of July 17, 2020. The warmer temperatures are causing the balances to grow at a much faster rate than we experienced earlier in the moratorium. Please see the collective prepay account activity tracked below.

	RESIDENTIAL PREPAY MEMBERS							
			Balance for					
			Accounts					
	Prepay	Pending	Pending	% Pending				
	Count	Disconnect	Disconnect	Disconnect	Average	High	Low	
Baseline 2/29/2020	3,990	-	\$0	0%	\$0	\$0	\$0	
3/31/2020	3,976	1,130	\$39,129.90	28%	\$34.63	\$163.72	\$0.06	
4/30/2020	4,025	1,400	\$141,890.58	35%	\$101.35	\$469.73	\$0.05	
5/29/2020	4,059	1,403	\$202,961.88	35%	\$144.66	\$742.57	\$0.00	
6/1/2020	4,060	1,534	\$216,206.70	38%	\$140.94	\$754.15	\$0.04	
6/2/2020	4,064	1,434	\$213,879.36	35%	\$149.36	\$758.31	\$0.00	
6/3/2020	4,065	1,433	\$216,525.25	35%	\$151.10	\$762.26	\$0.00	
6/4/2020	4,063	1,423	\$218,198.81	35%	\$153.34	\$767.50	\$0.02	
6/5/2020	4,064	1,427	\$220,238.68	35%	\$154.34	\$772.90	\$0.02	
6/8/2020	4,068	1,511	\$233,357.35	37%	\$154.44	\$788.22	\$0.08	
6/9/2020	4,066	1,469	\$236,184.11	36%	\$160.78	\$793.21	\$0.03	
6/10/2020	4,073	1,461	\$239,735.84	36%	\$164.09	\$798.94	\$0.17	
6/11/2020	4,069	1,456	\$241,127.51	36%	\$165.61	\$804.91	\$0.10	
6/12/2020	4,069	1,500	\$244,179.23	37%	\$162.79	\$810.14	\$0.07	
6/15/2020	4,069	1,543	\$255,834.05	38%	\$165.80	\$824.09	\$0.00	
6/16/2020	4,073	1,484	\$256,512.92	36%	\$172.85	\$828.02	\$0.07	
6/17/2020	4,075	1,488	\$259,066.76	37%	\$174.10	\$831.64	\$0.05	
6/23/2020	4,079	1,523	\$278,845.74	37%	\$183.09	\$885.21	\$0.08	
6/24/2020	4,078	1,541	\$282,365.23	38%	\$183.24	\$894.48	\$0.01	
6/25/2020	4,080	1,552	\$285,330.54	38%	\$183.85	\$901.78	\$0.00	
6/26/2020	4,080	1,560	\$287,109.87	38%	\$184.04	\$910.72	\$0.02	
6/29/2020	4,082	1,652	\$303,380.23	40%	\$183.64	\$936.35	\$0.03	
6/30/2020	4,082	1,591	\$304,987.21	39%	\$191.70	\$944.45	\$0.20	
7/1/2020	4,051	1,598	\$307,148.71	39%	\$192.21	\$950.24	\$0.00	
7/2/2020	4,052	1,607	\$308,817.84	40%	\$192.17	\$960.55	\$0.06	
7/6/2020	4,054	1,772	\$331,425.98	44%	\$187.03	\$997.95	\$0.05	
7/7/2020	4,050	1,673	\$332,475.19	41%	\$198.73	\$1,007.32	\$0.02	
7/8/2020	4,051	1,650	\$336,817.96	41%	\$204.13	\$1,016.78	\$0.02	
7/9/2020	4,050	1,623	\$340,017.68	40%	\$209.50	\$1,025.16	\$0.05	
7/10/2020	4,056	1,616	\$340,191.90	40%	\$210.51	\$1,033.54	\$0.04	
7/13/2020	4,060	1,713	\$356,590.59	42%	\$208.29	\$1,057.00	\$0.01	
7/14/2020	4,062	1,612	\$356,184.73	40%	\$220.28	\$1,066.36	\$0.02	
7/15/2020	4,065	1,634	\$360,606.86	40%	\$220.16	\$1,076.52	\$0.02	
7/16/2020	4,062	1,633	\$362,391.34	40%	\$222.30	\$1,085.45	\$0.00	
7/17/2020		1,639	\$366,684.49	40%	\$223.59	\$1,095.84	\$0.04	

Also shown electronically in Excel format as file name SKRECC Responses to Order.xlsx Tab Item 17.