

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

RESPONSE OF:

FLEMING-MASON ENERGY COOPERATIVE, INC.

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
DATED JUNE 23, 2020

VERIFICATION

COMMONWEALTH OF KENTUCKY)

COUNTY OF FLEMING)

Joni K. Hazelrigg, being duly sworn, states that she has supervised the preparation of the response of Fleming-Mason Energy Cooperative, Inc. to the Public Service 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, 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.

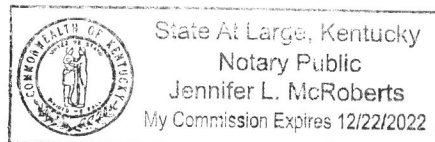
Witness my hand this 7th day of July, 2020

Joni K Hazelrigg
Joni K. Hazelrigg, President & CEO

Subscribed and sworn before me this 7th day of July, 2020

Jennifer L. McRoberts
Notary Public

My commission expires: 12/22/22



QUESTION 1:

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

RESPONSE:

24,774 meters billed as of May 31, 2020

QUESTION 2:

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

RESPONSE:

Residential & Small Power	22,730
Small Commercial	1,835
Large Commercial	204
Industrial	<u>5</u>
Total	24,774

QUESTION 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 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.

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

RESPONSE:

Fleming-Mason Energy provides only electric services.

See attachments provided in Excel format.

QUESTION 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 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.

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

RESPONSE:

Fleming-Mason Energy provides only electric services.

See attachments provided in Excel format.

QUESTION 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:

Fleming-Mason Energy provides only electric services.

See attachments provided in Excel format.

QUESTION 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.

RESPONSE:

Fleming-Mason Energy provides only electric services.

See attachments provided in Excel format.

QUESTION 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.

An account balance is written off as bad debt after Fleming-Mason makes multiple attempts to collect the unpaid bill and the account has been inactive for five months.

b.

	2018	2019	2020
January	4,176.48	5,271.32	6,503.55
February	4,501.28	6,601.95	5,509.08
March	5,059.54	4,021.76	3,677.90
April	4,300.64	3,238.60	3,219.73
May	2,547.17	3,360.60	5,079.32
June	11,688.51	7,859.08	6,080.47
July	8,517.05	28,011.48	
August	11,393.05	10,210.80	
September	9,163.19	13,703.93	
October	6,088.55	4,410.00	
November	5,190.87	2,600.66	
December	4,509.90	4,163.65	
	<hr/>	<hr/>	<hr/>
	\$ 77,136.23	\$ 93,453.83	\$ 30,070.05

c.

There has been no change in calculation or determination of bad debt in the past two years.

QUESTION 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 July 7, 2020, the following number of customers would be subject to disconnection:

Residential / Small Power	1,072
Prepay Accounts	140
Small Commercial	6
Large Commercial	4
Industrials	<u>0</u>
	1,222

QUESTION 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:

See attachments provided in Excel format.

The requested information is not available by class.

QUESTION 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 serviced 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.

RESPONSE:

Fleming-Mason Energy provides only electric services.

See attachments provided in Excel format.

The requested information is not available by class, nor is it possible to avoid duplication of customer counts.

QUESTION 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:

	a	b	c	d
	2017	2018	2019	2020
January	45,948.97	47,504.59	40,965.66	36,391.13
February	41,430.79	56,404.76	46,243.18	41,586.95
March	30,492.86	32,331.31	32,719.39	(83.32)
April	29,719.77	37,684.39	34,697.28	-
May	23,021.54	27,663.71	22,628.96	-
June	26,251.60	30,335.66	25,325.64	
July	25,701.49	28,450.93	29,625.34	
August	30,616.85	32,806.98	32,661.67	
September	27,182.97	28,733.55	30,465.57	
October	24,175.22	29,369.62	26,317.74	
November	20,677.61	26,639.81	20,362.97	
December	30,232.21	34,402.72	34,582.30	
	<u>\$ 355,451.88</u>	<u>\$ 412,328.03</u>	<u>\$ 376,595.70</u>	<u>\$ 77,894.76</u>

QUESTION 12:

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

RESPONSE:

March 2020	\$38,001
April 2020	\$23,314
May 2020	\$19,975
June 2020	<u>\$20,302</u>
Total	\$101,592

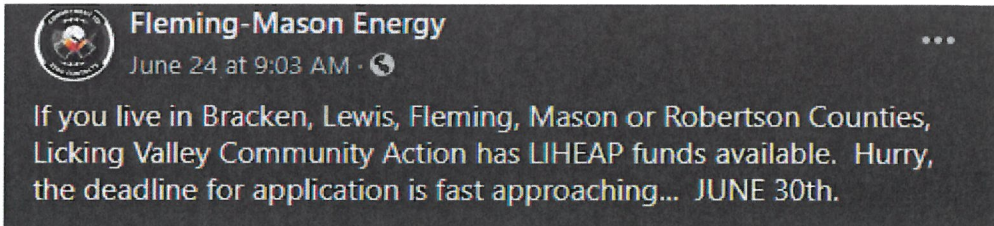
QUESTION 13:

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.

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Fleming-Mason Energy
June 24 at 9:03 AM · 🌐

If you live in Bracken, Lewis, Fleming, Mason or Robertson Counties, Licking Valley Community Action has LIHEAP funds available. Hurry, the deadline for application is fast approaching... JUNE 30th.

DO YOU NEED HOME ENERGY ASSISTANCE?

Assistance provided for electric, natural gas, wood,
propane & fuel oil.

Monday thru Friday

8:30 to 2:30

LIHEAP SPRING SUBSIDY BENEFITS AVAILABLE!

APPLY NOW THROUGH JUNE 30th

CONTACT LICKING VALLEY COMMUNITY ACTION TODAY!!

CALL FOR AN APPOINTMENT

BRACKEN COUNTY 606-735-2948

FLEMING COUNTY 606-845-0081

LEWIS COUNTY 606-796-3893

MASON COUNTY 606-564-8389

ROBERTSON COUNTY 606-724-5513



Facebook



Fleming-Mason Energy

June 5 at 9:30 AM · 🌐

For those experiencing financial hardships as a result of COVID-19, Fleming-Mason Energy continues to work to connect members with resources from federal, state, and local agencies, as well as suspending disconnections due to non-payment. However, we encourage members to pay what they can, when they can, to avoid a large deferred bill for which they will ultimately be responsible for.

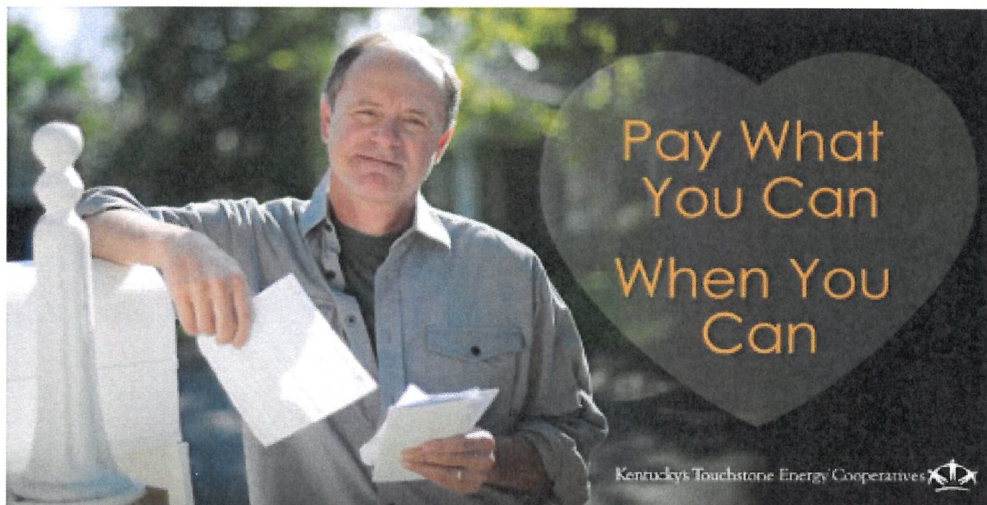
If you are having difficulty paying your monthly bill, please call us at [1.800.464.3144](tel:18004643144), and we will work with you to come up with a solution that ensures you can fulfill your account obligation.



Fleming-Mason Energy

May 27 · 🌐

We are here for you! #FMEworksforyou #membercommitted



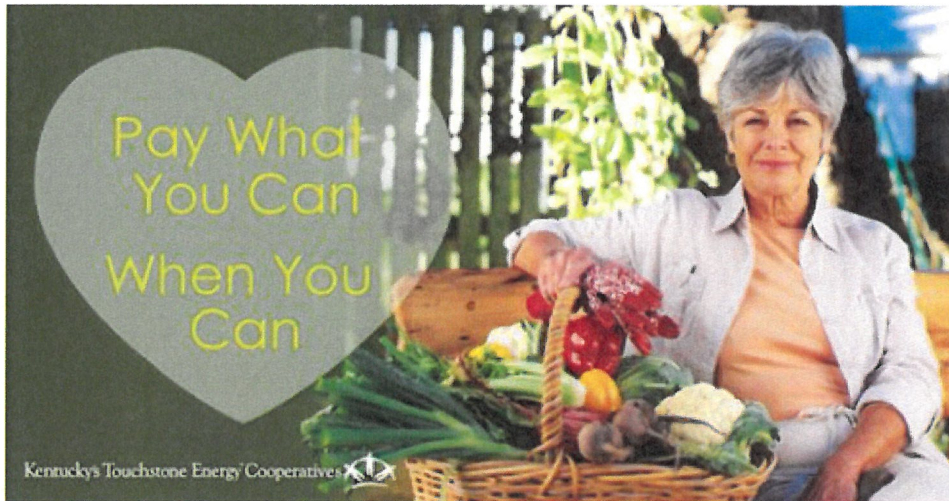
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Fleming-Mason Energy

May 21 · 🌐

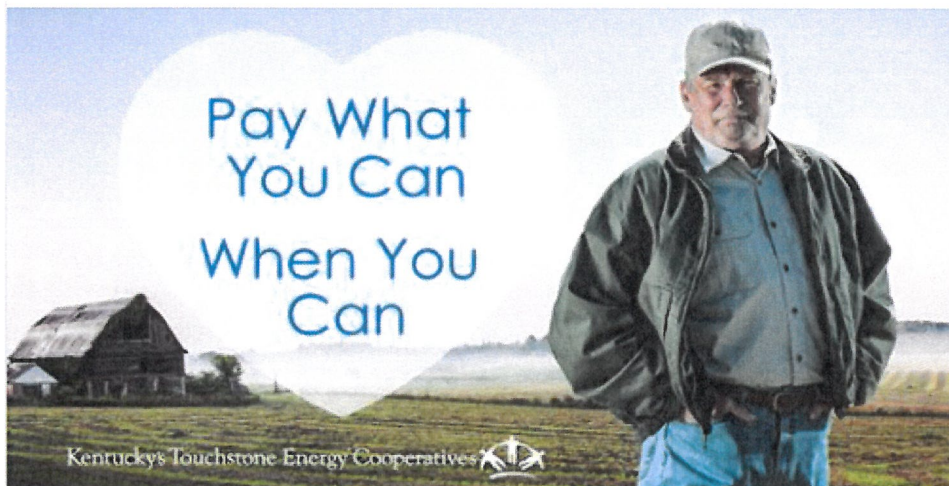
Currently, disconnects and late payment fees have been suspended to help those experiencing difficulties during this unprecedented time. Making small payments now will help avoid a greater hardship in the future. Please know, you can always call us for assistance when continuing with some type of payment. We will get through this together!! [#membercommitted](#) [#FMEworksforyou](#) [#initttogether](#)



Fleming-Mason Energy

May 14 · 🌐

Currently, disconnects and late payment fees have been suspended to help those experiencing difficulties during this unprecedented time. Please know, you can always call us for assistance for continuing with some type of payment. Making small payments now will help avoid a greater hardship in the future. We will get through this together!! [#membercommitted](#) [#FMEworksforyou](#) [#initttogether](#)



Facebook



Fleming-Mason Energy

May 7 · 🌐



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Assistance provided for electric, natural gas, wood,
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8:30 to 2:30

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FLEMING COUNTY 606-845-0081

LEWIS COUNTY 606-796-3893

MASON COUNTY 606-564-8389

ROBERTSON COUNTY 606-724-5513



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Fleming-Mason Energy

April 9 · 🌐



Recently, Community Action Kentucky agencies announced an extension to the enrollment period for the crisis component of the Low-Income Home Energy Assistance Program (LIHEAP).

Applications are now being accepted through April 30 or until designated funds are depleted. Funds are distributed on a first-come, first-serve basis.

To find what agency serves you, visit bit.ly/CAKAgencies.... **See More**

The graphic is split into two main sections. On the left, a photograph shows an elderly woman in a red top and an elderly man in a blue shirt smiling and holding white mugs. In the top left corner of the graphic is the 'Kentucky Community Action Partnership' logo. In the top right corner is the 'LIHEAP' logo, which features the letters 'LIHEAP' in a white, blocky font with a house silhouette above the 'I'. The right side of the graphic has a dark blue background with white text. The text reads: 'Low-Income Home Energy Assistance Program' in a large font, followed by 'Enrollment Period Extended' in a smaller font inside a white-bordered box. At the bottom, it says 'Applications for the LIHEAP Crisis Component will now be accepted through April 30, 2020.' in a light blue font.

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Fleming-Mason Energy

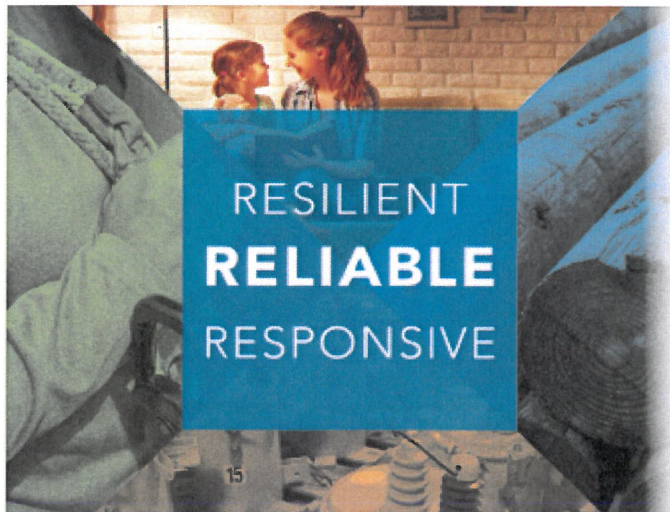
March 25 · 🌐



Fleming-Mason Energy recognizes the hardships that our members are experiencing during the COVID-19 pandemic. For many members, it is difficult to pay their bills in full.

While we are not currently disconnecting services for non-payment, please know that this is a temporary policy to help our members during this pandemic. It remains the responsibility of each account holder to pay as they can. This will help avoid large, deferred balances in the future.

Please contact our Member Services team at 800-464-3144 to pay on your bill, discuss payment options or make arrangements. Thank you.



We are
HERE
for you.

Facebook

**Fleming-Mason Energy**

March 17 · 🌐




An Important Operations Update From Your Cooperative -

As of 4:30 p.m., Tuesday, March 17, we will be closing our lobby to the public. Members are still able to connect or disconnect service, pay bills, and conduct all other necessary business through either our free smartphone app, website, by phone, night deposit, or our drive-thru. Anyone with questions regarding any of these options can call 1-800-464-3144. We ask that anyone who can do business by phone, to please do so.

This will allow us to limit the direct exposure of our members and employees. 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.

We always stand at the ready to help our members, but even more so during this challenging time. We understand these changes may be inconvenient, so we greatly appreciate your patience and flexibility. We believe this preventative measure will reduce the risk for both our members and employees. Thank you.

A Touchstone Energy Cooperative 

Website / Cover Page
March 17,2020, to present

Disconnects and Late Fees

With the uncertainty created by the coronavirus pandemic (COVID-19), we know that the people we serve are facing many concerns.

Guided by our cooperative values, Fleming-Mason Energy 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 the best interest of all our members.

In an effort to help, Fleming-Mason Energy will be temporarily suspending disconnects and new late fees to help members who may be facing financial difficulties

due impacts from the COVID-19 pandemic.

Bills and late notices will continue to be sent as usual. Fleming-Mason will continue, as always to work with members experiencing financial difficulties.

Please call [1-800-464-3144](tel:1-800-464-3144) with any questions or concerns. Thank you as always.

QUESTION 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:

Responses are based on month ending 5/31/20:

Cost Increases:

PPE Expenses	\$1,024
Laptops	<u>\$3,392</u>
Total:	\$4,416

Decreased Income:

Late Fees	\$81,290
Disconnect/Reconnect Fees	\$24,685

Reduced Margins due to Reduced kWh Sales by Class*:

Class of Service:	Actual kWh sold:		Reduced kWh Sold	
	01/19 - 05/19	01/20 - 05/20		
Residential/Small Power	136,260,168	131,052,550	5,207,618	\$184,089
Small Commercial	7,476,358	6,757,428	718,930	\$23,696
Large Commercial	42,179,800	36,966,692	5,213,108	<u>\$65,763</u>
Total:				\$379,524

* Estimated based on identical time frame from 2019. Not weather normalized. Power costs have been removed from the calculation to reflect the estimated loss of Fleming-Mason margins.

QUESTION 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:

Responses are based on month ending 5/31/20:

Cost Decreases:

Fuel	\$12,130	
Travel Expense	\$4,250	
Interest Expense	<u>\$6,845</u>	(EKPC extended the due date for the power bill)
	\$23,225	

Increased Income:

None

QUESTION 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:

Fleming-Mason Energy is committed to our owner - members and the communities we serve. We operate on a non-profit basis and make every effort to control our expenses while providing reliable service and the highest quality member service possible. While the majority of our members continue to pay their bills in full each month, we encourage the Commission to grant the cooperatives the flexibility to encourage timely bill payment through sensible action and best practices during this uncertain time for those members that may be falling behind.

QUESTION 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 7/7/20:

27.3% of 513 total prepay accounts have outstanding balances totaling \$21,608. There are 45 accounts with balances of \$200 or greater that total \$15,209 – about 70% of the total outstanding.