

CERTIFICATION

John May, Manager of Administrative Services for Licking Valley Rural Electric Cooperative Corporation, being duly sworn, states as follows with regards to the Responses filed by Licking Valley Rural Electric Cooperative Corporation in the Case No. 2019-00085, now pending before the Public Service Commission of the Commonwealth of Kentucky:


1. That he is the person supervising the preparation of the responses on behalf of Licking Valley Rural Electric Cooperative Corporation.
2. That the responses are true and accurate to the best of his knowledge and belief.



John May

Subscribed and sworn to before me the affiant, Kerry K. Howard, this 16 day of July 2019.

My commission expires April 19, 2023



Notary Public, State of Kentucky at Large
ID # 621759

Licking Valley Rural Electric Cooperative Corp
Case No. 2020-00085
Response to PSC 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, the current number of Licking Valley RECC Accounts was 17,342

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

Response:

The following table is a breakdown of Licking Valley RECC's current number of members per class as of May 31, 2020.

Revenue Class	Number of Accounts
Residential	16252
Commercial & Ind 1000 kVa or less	1083
Commercial & Ind 1000 kVa or greater	7
Total Customers	17342

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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 customer 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:

The table below shows the average total bill for all customers for years and month requested.

Year/Month	Average Total Bill
2017	\$169.17
2018	\$182.11
2019	\$173.01
January-20	\$209.30
February-20	\$182.65
March-20	\$155.58
April-20	\$148.43
May-20	\$150.75

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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.

Response:

The table shows the Average total bill for all customers for Residential and Commercial/Industrial:

Year/Month	Residential	Commercial & Industrial
2017	\$145.34	\$503.16
2018	\$159.39	\$517.39
2019	\$149.73	\$512.55
Jan-20	\$208.30	\$560.98
Feb-20	\$167.75	\$489.13
Mar-20	\$149.31	\$521.24
Apr-20	\$122.49	\$472.44
May-20	\$127.35	\$500.95

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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:

The table below shows the average current bill for current service for all customers for years and month requested:

Year/Month	Average Total Bill for Current Service
2017	\$135.11
2018	\$140.34
2019	\$137.33
Jan-20	\$167.02
Feb-20	\$141.85
Mar-20	\$114.91
Apr-20	\$112.57
May-20	\$115.36

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6. If a utility provided 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 in 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:

See table below:

Average Total Bill for Current Service by class		
Year/Month	Residential	Commercial & Industrial
2017	\$114.30	\$405.95
2018	\$119.53	\$447.75
2019	\$116.61	\$438.79
Jan-20	\$146.99	\$465.86
Feb-20	\$123.66	\$412.41
Mar-20	\$97.81	\$369.56
Apr-20	\$96.94	\$345.11
May-20	\$97.82	\$375.41

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

Response:

Licking Valley RECC writes off bad debt on a quarterly basis. Prior to writing off the bad debt, those members with unpaid balances greater than 6 months are mailed a letter stating they have an unpaid balance. If the balances remain unpaid, the UA accounts are presented to the Licking Valley Board of Directors for approval, written off and then submitted to a collection agency.

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

Response:

The table below shows Licking Valley's bad debt write-offs for 2018, 2019 and 2020 by quarter.

2018		2019		2020	
1 st Qtr	\$40,602.71	1 st Qtr	\$35,248.46	1 st Qtr	\$15,456.87
2 nd Qtr	\$49,331.86	2 nd Qtr	\$18,980.76	2 nd Qtr	
3 rd Qtr	\$23,204.08	3 rd Qtr	\$19,309.15	3 rd Qtr	
4 th Qtr	\$23,315.34	4 th Qtr	\$16,711.27	4 th Qtr	

- 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:

Licking Valley has not changed the way it calculates or determines bad debt in the past two years.

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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:

Licking Valley RECC as of 7/15/2020, has 1710 members that have 30-day balances or greater. This does not reflect payment arrangements or LIHEAP assistance.

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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:

The table below shows the percentage of members by class that pay on time from 2017 thru March 2020. During the month of February each year, Licking Valley RECC does not apply a penalty to the members. The data for March shows 100% as a result of the State of Emergency and no members were penalized during that billing period and going forward.

Month/Year	Residential	Commercial & Industrial
2017	62.12%	67.05%
2018	63.05%	68.38%
2019	65.89%	72.42%
Jan-20	83.92%	91.99%
Feb-20	100.00%	100.00%
Mar-20	100.00%	100.00%

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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 count. The information requested in this request should be presented similarly to the residential-only information provided in Case No. 2019-00366. 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:

Attached to this response is Licking Valley's total number of service termination notices, total number of service terminations for nonpayment and total members by class for each month from 2015 thru 2019.

Total Termination Notices Issued By Class		
Month/Year	Residential	Commercial&Industrial
Jan-15	358	2
Feb-15	184	12
Mar-15	197	2
Apr-15	331	5
May-15	402	7
Jun-15	221	4
Jul-15	287	6
Aug-15	152	7
Sep-15	199	8
Oct-15	104	5
Nov-15	149	5
Dec-15	254	7
Jan-16	364	6
Feb-16	202	6
Mar-16	306	5
Apr-16	287	7
May-16	158	6
Jun-16	271	8
Jul-16	124	3

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Aug-16	238	7
Sep-16	233	4
Oct-16	248	9
Nov-16	306	9
Dec-16	260	11
Jan-17	366	12
Feb-17	203	7
Mar-17	336	5
Apr-17	356	11
May-17	143	7
Jun-17	224	5
Jul-17	114	4
Aug-17	245	8
Sep-17	209	5
Oct-17	120	4
Nov-17	197	2
Dec-17	126	8
Jan-18	165	8
Feb-18	153	6
Mar-18	196	4
Apr-18	102	1
May-18	212	7
Jun-18	274	9
Jul-18	108	2
Aug-18	170	5
Sep-18	218	5
Oct-18	86	4
Nov-18	182	5
Dec-18	127	6
Jan-19	112	13
Feb-19	168	9
Mar-19	227	9
Apr-19	87	2
May-19	145	6
Jun-19	115	3
Jul-19	176	12
Aug-19	262	7
Sep-19	100	3
Oct-19	245	10
Nov-19	231	6
Dec-19	197	8

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Terminations for Nonpayment		
Month/Year	Residential	Commercial&Industrial
Jan-15	22	1
Feb-15	125	4
Mar-15	118	0
Apr-15	104	0
May-15	69	0
Jun-15	41	1
Jul-15	120	2
Aug-15	65	2
Sep-15	80	0
Oct-15	50	3
Nov-15	51	0
Dec-15	11	2
Jan-16	52	1
Feb-16	76	3
Mar-16	99	2
Apr-16	82	3
May-16	77	1
Jun-16	72	2
Jul-16	51	1
Aug-16	76	2
Sep-16	56	0
Oct-16	52	6
Nov-16	6	4
Dec-16	72	3
Jan-17	101	2
Feb-17	49	4
Mar-17	74	5
Apr-17	68	0
May-17	116	4
Jun-17	111	2
Jul-17	73	1
Aug-17	90	1
Sep-17	61	2
Oct-17	99	0
Nov-17	51	4
Dec-17	38	1
Jan-18	106	1
Feb-18	9	0
Mar-18	142	6
Apr-18	89	1

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May-18	129	3
Jun-18	82	1
Jul-18	100	1
Aug-18	168	4
Sep-18	77	1
Oct-18	113	1
Nov-18	121	2
Dec-18	71	1
Jan-19	122	3
Feb-19	61	1
Mar-19	94	10
Apr-19	121	3
May-19	141	8
Jun-19	66	1
Jul-19	72	4
Aug-19	73	1
Sep-19	97	10
Oct-19	89	4
Nov-19	8	0
Dec-19	86	0

Total Number of Accounts			
Month/Year	Residential	Commercial & Industrial	Total Number of Accts
Jan-15	16695	1148	17843
Feb-15	16751	1139	17890
Mar-15	16766	1132	17898
Apr-15	16753	1125	17878
May-15	16790	1122	17912
Jun-15	16829	1129	17958
Jul-15	16892	1125	18017
Aug-15	16707	1124	17831
Sep-15	16746	1123	17869
Oct-15	16635	1119	17754
Nov-15	16631	1123	17754
Dec-15	16589	1124	17713
Jan-16	16578	1125	17703
Feb-16	16530	1128	17658
Mar-16	16583	1125	17708
Apr-16	16645	1125	17770
May-16	16655	1127	17782
Jun-16	16592	1124	17716

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Jul-16	16631	1118	17749
Aug-16	16680	1119	17799
Sep-16	16747	1128	17875
Oct-16	16687	1133	17820
Nov-16	16694	1131	17825
Dec-16	16642	1119	17761
Jan-17	16647	1119	17766
Feb-17	16566	1122	17688
Mar-17	16619	1124	17743
Apr-17	16681	1127	17808
May-17	16605	1121	17726
Jun-17	16658	1122	17780
Jul-17	16672	1128	17800
Aug-17	16612	1125	17737
Sep-17	16704	1125	17829
Oct-17	16738	1121	17859
Nov-17	16740	1124	17864
Dec-17	16703	1123	17826
Jan-18	16682	1115	17797
Feb-18	16665	1114	17779
Mar-18	16628	1112	17740
Apr-18	16630	1110	17740
May-18	16618	1110	17728
Jun-18	16709	1110	17819
Jul-18	16779	1116	17895
Aug-18	16718	1118	17836
Sep-18	16724	1113	17837
Oct-18	16691	1112	17803
Nov-18	16628	1109	17737
Dec-18	16643	1113	17756
Jan-19	16651	1107	17758
Feb-19	16657	1107	17764
Mar-19	16622	1104	17726
Apr-19	16621	1108	17729
May-19	16618	1108	17726
Jun-19	16602	1110	17712
Jul-19	16696	1106	17802
Aug-19	16575	1101	17676
Sep-19	16549	1103	17652
Oct-19	16608	1108	17716
Nov-19	16649	1104	17753
Dec-19	16616	1107	17723

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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:

Attached to this response is the total income that Licking Valley RECC received from late payment fees by month from 2017 to 2020:

2017		2018		2019		2020	
Jan	\$27,851.46	Jan	\$32,685.33	Jan	\$24,578.02	Jan	\$23,496.59
Feb	\$0.00	Feb	\$0.00	Feb	\$0.00	Feb	\$0.00
Mar	\$20,913.72	Mar	\$22,299.33	Mar	\$21,534.14	Mar	\$0.00
Apr	\$22,324.75	Apr	\$26,111.73	Apr	\$19,106.39	Apr	\$0.00
May	\$16,872.89	May	\$17,645.63	May	\$15,141.32	May	\$0.00
Jun	\$17,986.82	Jun	\$21,234.84	Jun	\$18,437.00		
Jul	\$19,563.84	Jul	\$22,439.80	Jul	\$19,247.02		
Aug	\$24,272.92	Aug	\$23,591.07	Aug	\$23,270.71		
Sep	\$19,481.57	Sep	\$19,246.17	Sep	\$19,874.65		
Oct	\$15,751.63	Oct	\$16,900.37	Oct	\$16,615.26		
Nov	\$17,774.76	Nov	\$18,212.93	Nov	\$18,172.20		
Dec	\$23,444.89	Dec	\$24,751.02	Dec	\$22,639.74		

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

Response:

As a result of the COVID19 State of Emergency, Licking Valley RECC suspended its disconnects in March 2020. As a result of this, we did not run our disconnect process, resulting in late payment fees not being calculated. We do not have a way to go back in time and calculate these amounts. The chart below shows the average late payment fees from 2017, 2018 & 2019. The total amount of late payment fees are very close each year.

Projected 2020 late payment fees	
April	\$22,514.29
May	\$16,553.28
June	\$19,219.55

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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:

Licking Valley RECC has used two notification methods to communicate with our members regarding arrearages, late payments and payment plans since March 16, 2020. In April, Our CSR's made phone calls to members that were past due and advised them that although disconnects were not occurring, staying current on their bill was important as it would come due eventually. We have also made post on Social Media (Facebook) regarding our current COVID 19 policy and payment expectations. Samples of these are show below:

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Licking Valley Rural Electric Cooperative



March 23 · 🌐

As our business offices remain closed to the public as part of the COVID-19 response, we wanted to remind our members of several ways you can pay your bill. The best option is to set your account up on Bank draft. You will still receive a monthly statement but your payment is drafted automatically on the 10th of each month. You would need to contact our business office to be setup on bank draft.

Our drive through will remain open for now but expect longer wait times during the first of the month and around the 10th. You can pay with cash, check or CC at this time.

As always, payments can be mailed in. It's never recommended to send cash through any mail service, so checks or money orders only.

We highly encourage members to setup an online account with us. This will allow you to pay your bill, see current or past statements, and keep tabs on your energy usage throughout the month. The link can be found at www.lvrecc.com or you may go directly to our payment portal at: <https://lvrecc.smarthub.coop/Login.html#>.

You can always use our automated phone system to make payments 24/7. Simply dial 606-743-3179 and hit option 1.

Another great option for our smartphone members would be to download our App. It's called Smarthub. It has all the same features as logging in online and you can also report outages or keep track of outages as they occur. This App is available for both IOs and Android operating systems.

During these very difficult times, we would encourage our members to use one of the many automated payment systems to avoid getting out and avoid a long line at the drive thru.

As always, if you have any questions regarding any of these options, feel free to call us during normal business hours. Thank you and be safe.

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Licking Valley Rural Electric Cooperative is  sharing a  COVID-19 Update.

July 6 at 9:23 AM · 

Kentucky's Community Action Agencies are now accepting applications for their new LIHEAP Summer Cooling Programs. LIHEAP Summer Cooling has 2 components, Subsidy and Crisis. Community Action anticipates both components operating until October 31st or until funds are exhausted. A household can be eligible for both programs. Benefits can only be applied towards electric cost. Subsidy works similar to LIHEAP Subsidy in the fall, where applicants receive a benefit amount based on their household size and income. This is a onetime benefit. Crisis is similar to LIHEAP Crisis (winter) where a household must be in a home energy crisis to be eligible for benefits. Households can receive multiple benefits until they reach the maximum of \$600. To find your local CAP office, you may follow the attached link. <https://www.capky.org/covid-19-resources/>



CAPKY.ORG

COVID-19 Resources - CAPKY

Community Action Kentucky offers a variety of programs and services tailored to help Kentuckians impacted by the COVID-19 crisis.

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Licking Valley Rural Electric Cooperative



June 30 at 8:55 AM · 🌐

As a result of the continuing COVID-19 Pandemic, Licking Valley will once again be suspending disconnects and late fee penalties for those members that are unable to pay their electric bill this month. We encourage members to stay current if possible and if not, pay what you can. Payment arrangements can be made by contacting our business office when past due balances become due. Thank you and stay safe.



Reach More People With This Post



You could reach up to 1,140 people daily by boosting your post for \$10.

8,551

People Reached

434

Engagements

Boost Post

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Licking Valley Rural Electric Cooperative



March 16 · 🌐

IMPORTANT NOTICE TO LICKING VALLEY RECC MEMBERS

Licking Valley RECC understands that our members are facing many concerns and with the spread of the virus, our normal lives will be disrupted.

Licking Valley is dedicated to our civic duty to bring our members safe, affordable and reliable power. We value the trust that our members place in us during these challenging times.

Therefore, Licking Valley will not be disconnecting services for non-payment or low funds for a limited time. This also applies to our members that are on Pre-paid service. 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 and we encourage any member who is facing financial difficulty to contact us to make payment arrangement.

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

Thank you
Mgt

19,514

People Reached

2,202

Engagements

[Boost Post](#)

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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:

The table below details an estimation of cost incurred as a result of the State of Emergency.

Expenses Resulting from COVID-19	
Payroll Labor	\$342,384.66
Thermometers	\$379.00
Gloves/Mask	\$2,931.58
Sanitizer/Disinfecting Supplies	\$1,321.91
Food Delivered	\$2,199.66
MRE's	\$4,519.68
Zoom Subscription	\$47.67
Signage	\$180.00
Walk-up Window/CSR Protection	\$14,050.00
Total	\$368,014.16

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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 Licking Valley RECC by its employees and directors. We hosted our in-person annual meeting but on a scaled back version which resulted in some savings but the net savings of this would not be possible to calculate.

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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 Licking Valley RECC and its customers remains to be seen. We are seeing an increase in members who are not staying current on their electric bill and we anticipate this continuing to increase over time. It's impossible for Licking Valley to know how much of this is out of necessity and/or how much its being taken advantage of by members who are still working and can pay their bills but opt not to. A big concern for Licking Valley are those members on prepay metering. By design, prepay metering accounts do not require a deposit, so we have little recourse if these members decide to not pay their past due amounts when disconnects recontinue.

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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:

Licking Valley RECC currently has 448 Prepay metering accounts. The total negative balances on these accounts is \$41,245.76 as of 7/15/2020. It's also important to note, that several of these prepay accounts have payment arrangements associated with them that does not reflect in the negative balances. 136 of the 448 accounts have negative balances of greater than \$50.00.