

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

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

**RESPONSE OF
BUTLER COUNTY WATER SYSTEM, INC.
TO
COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
DATED JUNE 23, 2020**

FILED: JULY 21, 2020

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**


In the Matter of:

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

**CERTIFICATION OF RESPONSE OF BUTLER COUNTY WATER
SYSTEM, INC. TO COMMISSION STAFF’S INITIAL REQUEST FOR
INFORMATION**

This is to certify that I have supervised the preparation of Butler County Water System Responses to Commission Staff’s Initial Request for Information. The response submitted on behalf of Butler County Water System is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

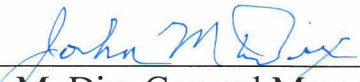
Date: 7/21/2020



John M. Dix, General Manager
Butler County Water System, Inc.

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8 and the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085 regarding electronic filings, I certify that Butler County Water System's Response to Commission Staff's Initial Request for Information was transmitted to the Public Service Commission by way of email on July 21, 2020 and Butler County Water System will file original paper copies of this filing within 30 days of the lifting of the State of Emergency.



John M. Dix, General Manager
Butler County Water System, Inc.

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 1

Responding Witness: John M. Dix

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

A-1. See below:

Butler County Water System
Current Total Customers as of 06/30/2020

BCWS

Water Only

6/30/2020

4,897

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 2

Responding Witness: John M. Dix

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

A-2. Butler County Water System has two classes of customers, residential and commercial, as shown below:

Butler County Water System
Current Residential Customers as of
06/30/2020

<u>BCWS</u>	<u>Water Only</u>
6/30/2020	4,574

Butler County Water System
Current Commercial Customers as of
06/30/2020

<u>BCWS</u>	<u>Water Only</u>
6/30/2020	323

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 3

Responding Witness: John M. Dix

- Q-3. If a utility provides multiple services, such as both water and sewer 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.

- A-3. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx.**

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 4

Responding Witness: John M. Dix

- Q-4. If a utility provides multiple services, such as both water and sewer 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.

- A-4. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx.**

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 5

Responding Witness: John M. Dix

Q-5. If a utility provides multiple services, such as both water and sewer 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.**

A-5. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx.

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 6

Responding Witness: John M. Dix

- Q-6. If a utility provides multiple services, such as both water and sewer 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.

- A-6. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx.**

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 7

Responding Witness: John M. Dix

Q-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.**

A-7. a. After the final bill due date has passed and the final bill remains unpaid, a final bill collection letter is sent to the customer. If the final bill remains unpaid, it is written off on the 15th of the following month, if it is at least 25 days past the final bill due date. The account status is then changed to write-off. This process also applies for accounts terminated for non-payment. If an account is terminated for non-payment, a final bill will be processed and will follow the final bill process until it is paid or written off.

b. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx.

c. There has not been any change in bad debt determination over the past two years.

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 8

Responding Witness: John M. Dix

Q-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.

A-8. The number of customers subject to disconnection as of July 15, 2020 are:

Residential	114
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Commercial	10
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BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 9

Responding Witness: John M. Dix

Q-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**

A-9. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx.

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 10

Responding Witness: John M. Dix

Q-10. Provide the following information for January 1, 2015, until December 31, 2019. If a utility provides multiple services, such as both water and sewer 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 non- payment 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. 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.

A-10. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx. For Item b, we were unable to separate the information by customer class.

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 11

Responding Witness: John M. Dix

Q-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**

A-11. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx.

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 12

Responding Witness: John M. Dix

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

A-12. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx.

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085


Response to Commission Staff's Initial Request for Information

Question No. 13

Responding Witness: John M. Dix

Q-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.

A-13. General communication with customers is our late notice as shown below:

 BUTLER COUNTY WATER SYSTEM, INC. 1118 South Main Street, Suite 1 PO Box 1488 Morgantown KY 42261 www.butlerwater.com	Payments Call Toll Free Customer Service: 844-383-8032 After Hours/Emergency: 270-526-4656 Fax: 270-526-5397 Office Hours/Days: 7:30 am - 11:30 am 12:30 pm - 4:30 pm Monday thru Friday 1-800-648-6556					
	KY Relay Services TTY: 1-800-648-6556					
CUST NO.	ACCOUNT NO.	CY	NAME	SERVICE ADDRESS	METER NO.	
		04B				
BILLING PERIOD FROM	TO	TIME OF READING	METER READ BY	NET DUE DATE	CUT OFF DATE	TOTAL AMOUNT PAST DUE
04-27-20	05-26-20	00:00	IAB	06-19-20		\$60.98



PAST DUE NOTICE

Our records show your payment was not received as of 06-19-20. If you have paid the amount due of \$60.98, please accept our thanks and call our office to verify receipt of your payment since this notice printed. Our telephone number is 270-526-4656.


BUTLER COUNTY WATER SYSTEM, INC. 1118 SOUTH MAIN STREET, SUITE 1, MORGANTOWN, KY 42261-1488

PLEASE RETURN THIS PORTION WITH PAYMENT
 MAKE CHECKS PAYABLE TO BUTLER COUNTY WATER SYSTEM
 PLEASE INCLUDE CUSTOMER NUMBER ON CHECK - PLEASE DO NOT MAIL CASH


 BUTLER COUNTY WATER SYSTEM, INC.
 1118 South Main Street, Suite 1
 PO Box 1488
 Morgantown KY 42261

CUST NO.	ACCOUNT NO.	PAST DUE NOTICE
CY	CUT OFF DATE	TOTAL AMOUNT PAST DUE
04B		\$60.98


 SINGLE-PIECE 3.5x5.5 INCHES
 10 1 0 000


 BUTLER COUNTY WATER SYSTEM
 PO BOX 1488
 MORGANTOWN KY 42261-1488

00617601597600619200000060980000060980008

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 14

Responding Witness: John M. Dix

Q-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.

A-14. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx.

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 15

Responding Witness: John M. Dix

Q-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.

A-15. Please refer to the excel spreadsheet BCWS 2020-00085.xlsx.

BUTLER COUNTY WATER SYSTEM, INC.

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 16

Responding Witness: John M. Dix

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

A-16. The Commission's order of March 16, 2020 has created the situation where the customer has little incentive to pay their bill on time. Without being able to apply late fees, we have little ability to persuade customers to keep their bills current. We have been able to determine that the number of customers subject to cutoff has increased over 1,000% to 114 in July, 2020 when compared to 10 in November, 2019. We expect this to continue to grow with the current restrictions and could have a major impact on our write offs once we are allowed to perform disconnections.

While our statistics for on time payments have been relatively consistent for the past four years, what we believe we are experiencing is that the same accounts that fall into collections every month are now taking advantage of no late fees or disconnects and not paying their bill. Historically, our collection process has forced them to pay their bills to prevent termination of service. Furthermore, with Kentucky's unemployment rate for June now at 4.3%, **the lowest in the nation** (according to the U.S. Bureau of Labor Statistics), it is imperative that utilities in the Commonwealth be allowed to return to normal business operations.