

**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                                        )**

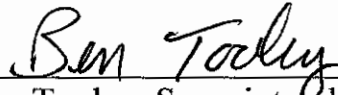
**RESPONSE OF  
MUHLENBERG COUNTY WATER DISTRICT NO. 3  
TO  
COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION  
DATED JUNE 23, 2020**

**FILED: 6/29/2020**



## 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 Muhlenberg County Water District No. 3's Response to Commission Staff's Initial Request for Information was transmitted to the Public Service Commission by way of email on 6/29/2020 and Muhlenberg County Water District No. 3 will file original paper copies of this filing within 30 days of the lifting of the State of Emergency.



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Ben Tooley, Superintendent  
Muhlenberg County Water District No. 3

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 1**

**Responding Witness: Cindy Darr**

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

A-1.

As of 5/27/2020 the District has 2,117 customers.

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 2**

**Responding Witness: Cindy Darr**

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

A-2.

The District has:

2,024	Residential customers
89	Commercial customers
<u>4</u>	Wholesale customers
2,117	Total customers

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 3**

**Responding Witness: Cindy Darr**

**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.

The total average bill for all customers for the years 2017 through 2019 are shown below.

a. 2017: \$644.76

b. 2018: \$620.60

c. 2019: \$593.82

d. The total average bill for all customers for the months of 2020 are shown below.

January: \$51.77

February: \$51.01

March: \$47.76

April: \$51.46

May: \$51.55

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 4**

**Responding Witness: Cindy Darr**

**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.

The District only provides water service.

See Question 4 tab on attached Excel Spreadsheet.



**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 5**

**Responding Witness: Cindy Darr**

**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.

The customer average bill for 2017 through 2019 are shown below.

- a. 2017: \$615.57
- b. 2018: \$578.27
- c. 2019: \$563.42
- d. The customer average bill for the months of 2020 are shown below.

January: \$50.33

February: \$48.80

March: \$44.15

April: \$47.08

May: \$47.63

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 6**

**Responding Witness: Cindy Darr**

**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.

The District only provides water service.

See Question 6 tab on attached Excel Spreadsheet.

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 7**

**Responding Witness: Cindy Darr**

**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. Inactive accounts that are 90+ days overdue on the last working day of the year are considered for bad debt write offs by the district. Write offs are done once per year.
- b. Monthly write offs are not performed. The yearly totals for 2018 and 2019 are \$6,926.40 and \$3,135.39 respectively.
- c. The District has not changed the bad debt write off policy in the past two years.

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 8**

**Responding Witness: Cindy Darr**

**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.

As of 6/25/2020, the District would have disconnected 84 residential customers for the month of June, except for the PSC's COVID-19 Order.

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 9**

**Responding Witness: Cindy Darr**

**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.

See Question 9 tab on attached Excel Spreadsheet.

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 10**

**Responding Witness: Cindy Darr**

**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.

See Question 10 tab on attached Excel Spreadsheet.

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 11**

**Responding Witness: Cindy Darr**

**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.

See Question 11 tab on attached Excel Spreadsheet.

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 12**

**Responding Witness: Cindy Darr**

**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.

The District would have assessed approximately \$5,774.12 in late payment fees since March 16, 2020.



**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 13**

**Responding Witness: Cindy Darr**

**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.

The District is and has performed communication regarding arrearages, late payments, and payment plans on a per customer basis. Nothing was published or posted regarding this matter. When customers inquired about late fees or disconnect days, they were informed that the District was not charging late fees nor disconnecting customers for non-payment.

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 14**

**Responding Witness: Cindy Darr**

**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.

The District did not experience any cost increases as a result of the COVID-19 State of Emergency.

The District did however experience loss of income from not collecting late payment fees (approximately \$5,800) and reconnection fees associated with disconnects as a result of COVID-19.

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 15**

**Responding Witness: Cindy Darr**

**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.

The District experienced a cost decrease for a couple of weeks because of gas prices going down.

The District did not experience an increase of income due to the COVID-19 State of Emergency.

**MUHLENBERG COUNTY WATER DISTRICT NO. 3**

**CASE NO. 2020-00085**

**Response to Commission Staff's Initial Request for Information**

**Question No. 16**

**Responding Witness: Ben Tooley**

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

A-16.

None.