

**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
HARDIN COUNTY WATER DISTRICT NO. 2
TO
COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
DATED JUNE 23, 2020**

FILED: July 20, 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 HARDIN COUNTY WATER DISTRICT NO. 2 Response to Commission Staff's Initial Request for Information was transmitted to the Public Service Commission by way of email on July 20, 2020 and HARDIN COUNTY WATER DISTRICT NO. 2 will file original paper copies of this filing within 30 days of the lifting of the State of Emergency.


Amber D. Pike, Finance & Admin Manger
Hardin County Water District No. 2

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 1

Responding Witness: Amber Pike, Finance & Admin Manager

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

A-1. 28,729 water customers as of 06/30/2020

Note: Hardin County Water District No. 2 commenced providing wastewater collection service to a small portion of its service area in January 2020. As of June 30, 2020, it provided wastewater service to 27 customers. More wastewater customers are being added each month. Since there is no comparison data from prior years and since there are so few wastewater customers, no information regarding wastewater customers is being presented in this Response. All information in this Response (Questions 1 through 16) is from water customers.

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 2

Responding Witness: Amber Pike, Finance & Admin Manager

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

A-2.

Residential	26,254
Commercial	2,438
Industrial	37
Total	28,729

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 3

Responding Witness: Amber Pike, Finance & Admin Manager

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.

	2020								
	2017	2018	2019	Jan	Feb	Mar	Apr	May	Jun
Total Ave Bill	\$43	\$40	\$40	\$37	\$38	\$36	\$39	\$36	\$39

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 4

Responding Witness: Amber Pike, Finance & Admin Manager

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.

	2020								
	2017	2018	2019	Jan	Feb	Mar	Apr	May	Jun
Residential	\$30	\$28	\$27	\$27	\$27	\$25	\$28	\$28	\$31
Commercial	\$118	\$128	\$122	\$107	\$108	\$103	\$109	\$96	\$104
Industrial	\$4,209	\$3,095	\$3,465	\$2,874	\$2,929	\$2,933	\$2,859	\$1,831	\$1,797

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 5

Responding Witness: Amber Pike, Finance & Admin Manager

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.

	2020								
	2017	2018	2019	Jan	Feb	Mar	Apr	May	Jun
Average Bill	\$35	\$32	\$32	\$36	\$37	\$35	\$39	\$36	\$39

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 6

Responding Witness: Amber Pike, Finance & Admin Manager

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.

	2020								
	2017	2018	2019	Jan	Feb	Mar	Apr	May	Jun
Residential	\$24	\$22	\$22	\$26	\$26	\$25	\$28	\$28	\$31
Commercial	\$96	\$103	\$98	\$104	\$106	\$102	\$109	\$96	\$104
Industrial	\$3,421	\$2,481	\$2,777	\$2,808	\$2,888	\$2,892	\$2,861	\$1,832	\$1,797

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 7

Responding Witness: Amber Pike, Finance & Admin Manager

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. The allowance method is used to record uncollectible accounts. The District’s annual bad debt allowance is approximately 50% of the accounts receivable balance aged 120 days or more. Accounts are written off when balances have become 36 months aged.

b.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000
2019	3800	3800	4000	4000	4000	4000	4000	4000	7000	7000	7000	7000	59600
2020	7000	5000	5000	5000	5000	7000							34000

c. The calculation for determining write offs has not changed in the past two years.

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 8

Responding Witness: Amber Pike, Finance & Admin Manager

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 06/26/2020 the following number of customers would be subject to disconnection for non-payment if the Commissions moratorium were not in effect:

Residential	1,511
Commercial	85
Industrial	2
Total	1,598

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 9

Responding Witness: Amber Pike, Finance & Admin Manager

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.

	2020								
	2017	2018	2019	Jan	Feb	Mar	Apr	May	Jun
Residential	82%	83%	83%	82%	83%	92%			
Commercial	86%	86%	86%	78%	82%	89%			
Industrial	Industrial Penalties are included in Commercial Calculations.								

Note: Hardin District No. 2 is unable to provide the percentage of customers who paid on time for April, May, and June in 2020. Recently, we installed a new billing software program. Since no Late Fees were assessed or paid in these months because of the PSC COVID-19 Order, we cannot generate a report of those customers who paid on time (In the new billing software program, the only way to determine which customers paid on time is to look at which customers were assessed Late Payment Fees). Thus, it is impossible to calculate the percentage of customers who paid on time during the three (3) most recent months.

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 10

Responding Witness: Amber Pike, Finance & Admin Manager

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.

- a. Provide monthly totals of service termination notices issued to customers only for nonpayment of bills.

Monthly total for past due NOTICES issued for customers ONLY for non-payment:

2015	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Residential	386	544	416	379	267	319	370	344	328	352	436	372
Commercial	79	103	68	57	39	40	56	46	56	34	33	33
Industrial	0	0	0	0	0	0	0	1	0	1	0	0

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 10 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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-10.

a. Provide monthly totals of service termination notices issued to customers only for nonpayment of bills. (Continued)

2018	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Residential	364	298	372	342	338	285	408	399	369	376	404	551
Commercial	21	16	37	19	23	23	18	31	20	20	33	41
Industrial	0	0	0	0	0	0	0	0	1	0	0	0

2019	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Residential	546	266	310	362	416	467	495	456	502	507	547	815
Commercial	66	32	18	19	24	19	32	28	32	46	44	97
Industrial	2	0	0	2	0	0	0	0	1	2	0	0

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 10 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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-10.

b. Provide monthly totals of service terminations for customers only for non-payment of bills.

*This information is not available by class

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2015	10	0	88	369	273	340	359	350	330	307	321	300
2016	29	0	106	164	229	286	343	282	330	353	333	416
2017	22	0	164	192	250	326	304	211	283	311	258	334
2018	33	0	130	180	192	246	311	287	309	295	337	297
2019	11	0	125	182	186	362	430	347	337	297	354	351

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 10 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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-10.

c. Provide the total number of customers for each month.

2015	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Residential	23823	23859	24215	24215	24353	24370	24366	24299	24375	24437	24453	24472
Commercial	2960	2931	2653	2653	2652	2692	2722	2693	2661	2609	2554	2479
Industrial	24	25	30	30	30	30	30	30	30	30	30	30
Total	26807	26815	26898	26898	27035	27092	27118	27022	27066	27076	27037	26981

2016	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Residential	24498	24543	24609	24714	24805	24849	24856	24899	24930	24933	24917	24883
Commercial	2441	2422	2412	2398	2373	2361	2341	2341	2338	2323	2312	2303
Industrial	30	30	31	31	31	31	31	31	31	31	31	31
Total	26969	26995	27052	27143	27209	27241	27228	27271	27299	27287	27260	27217

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 10 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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-10.

c. Provide the total number of customers for each month. (Continued)

2017	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Residential	24875	24909	24951	25007	25099	25176	25168	25249	25323	25302	25276	25303
Commercial	2313	2330	2328	2337	2329	2322	2318	2317	2307	2310	2299	2269
Industrial	31	31	31	32	32	32	31	31	31	31	31	30
Total	27219	27270	27310	27376	27460	27530	27517	27597	27661	27643	27606	27602

2018	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Residential	25314	25328	25335	25426	25526	25540	25581	25639	25644	25643	25618	25597
Commercial	2252	2268	2280	2270	2265	2255	2254	2245	2237	2237	2211	2200
Industrial	30	30	30	30	31	31	31	31	32	32	32	32
Total	27596	27626	27645	27726	27822	27826	27866	27915	27913	27912	27861	27829

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 10 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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-10.

c. Provide the total number of customers for each month. (continued)

2019	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Residential	25592	25646	25672	25748	25836	25840	25875	25900	25934	25935	25889	25886
Commercial	2191	2184	2180	2201	2201	2202	2197	2206	2191	2179	2172	2157
Industrial	32	33	35	35	35	35	36	37	37	37	37	37
Total	27815	27863	27887	27984	28072	28077	28108	28143	28162	28151	28098	28080

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 11

Responding Witness: Amber Pike, Finance & Admin Manager

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.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	24,238	27,616	28,788	16,803	29,171	26,733	16,237	26,653	21,995	24,426	21,589	22,200
2018	28,812	27,999	22,991	20,448	24,934	19,247	27,055	29,668	25,248	25,858	21,246	22,189
2019	25,043	17,312	19,190	19,584	20,261	20,335	21,326	24,398	24,820	22,944	20,437	34,317
2020	27,747	26,489	17,296	-	-	-						

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 12

Responding Witness: Amber Pike, Finance & Admin Manager

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.

2020	Mar	Apr	May	Jun	Total
Projected Late Payment Fees	\$9,709	\$19,811	\$20,488	\$20,562	\$70,570

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 13

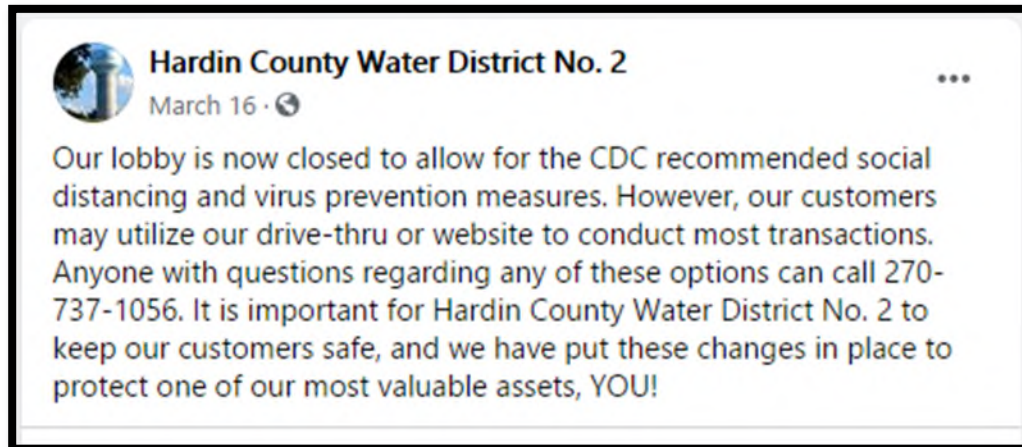
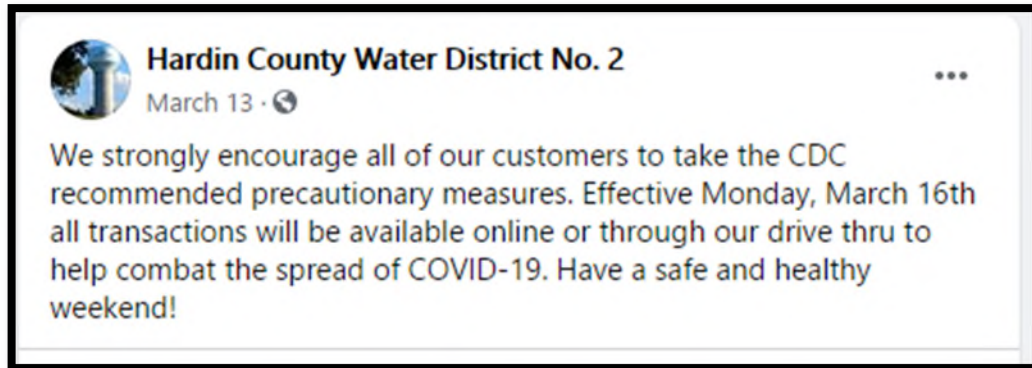
Responding Witness: Shaun Youravich, General Manager

Amber Pike, Finance & Admin Manager

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.

a. Social Media



HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

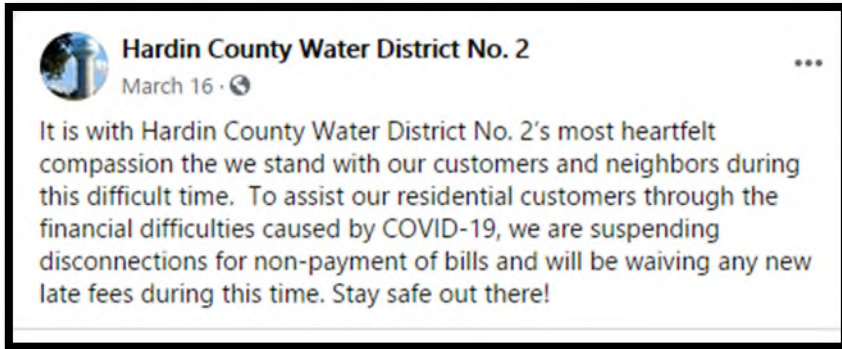
Question No. 13 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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.

a. Social Media (Continued)



HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

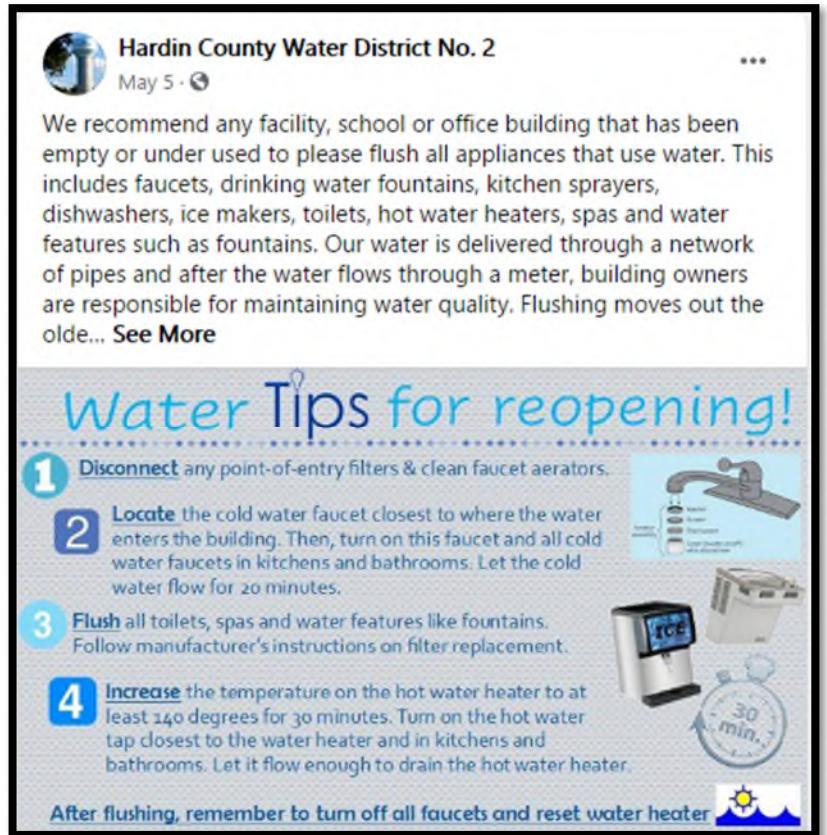
Question No. 13 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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.

a. Social Media (Continued)



HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

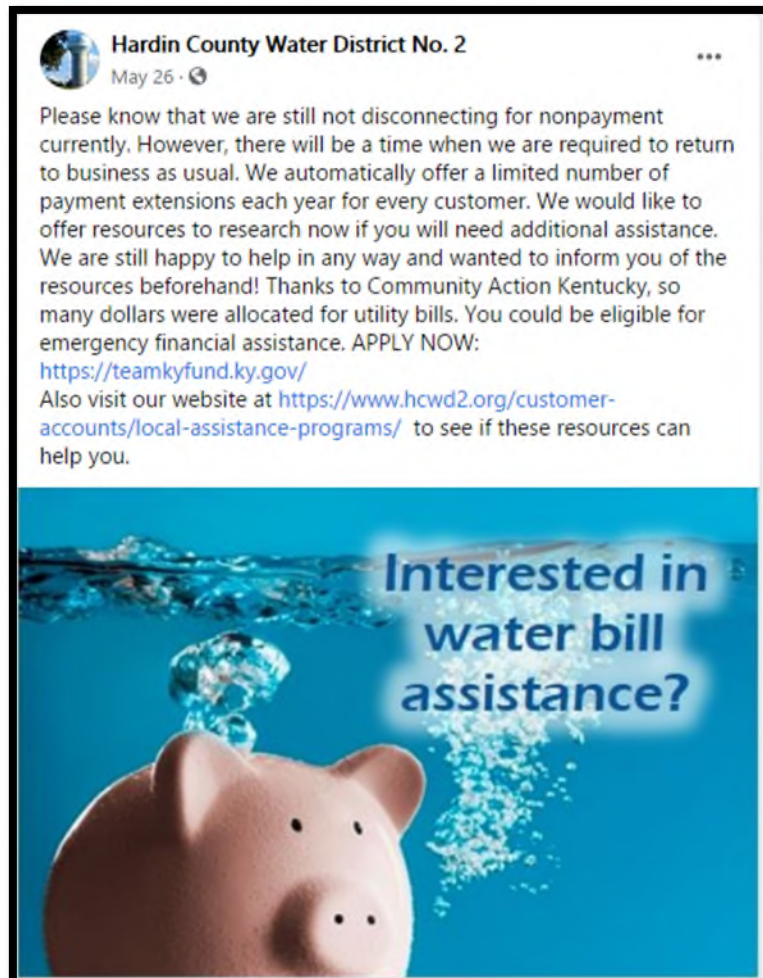
Question No. 13 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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.

a. Social Media (Continued)



HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 13 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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.

b. Lobby Postings



HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 13 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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.

b. Lobby Postings (Continued)



HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 14

Responding Witness: Amber Pike, Finance & Admin Manager

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 has experienced minimal cost increase as a result of COVID-19.

Residential Sales (1st and 2nd Quarters)

	Jan	Feb	Mar	Apr	May	Jun	Total
2017	727,316	552,669	644,227	603,657	716,078	741,589	3,985,535
2018	276,601	653,678	654,310	610,189	677,398	754,499	3,626,676
2019	405,917	714,244	670,815	654,047	700,391	806,004	3,951,418
2020 Actual	694,800	698,755	651,826	732,175	726,587	805,004	4,309,148
2020 Loss vs. 3 Year Average Actual	-	58,558	(4,625)	109,544	28,632	37,640	229,749
2020 Budget	748,394	694,041	690,834	674,765	734,527	789,170	4,331,731
2020 Loss vs. 3 Year Average Budget	(53,594)	4,714	(39,008)	57,410	(7,940)	15,834	(22,583)

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 14 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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.

Commercial Sales (1st and 2nd Quarters)

	Jan	Feb	Mar	Apr	May	Jun	Total
2017	237,751	205,248	274,977	232,289	279,373	277,622	1,507,259
2018	147,170	249,957	240,241	246,342	269,731	313,835	1,467,276
2019	147,012	251,835	244,316	224,247	252,779	271,383	1,391,572
2020 Actual	221,252	218,210	213,241	209,571	200,569	217,128	1,279,970
2020 Loss vs. 3 Year Average Actual	43,941	(17,470)	(39,937)	(24,722)	(66,726)	(70,485)	(175,399)
2020 Budget	265,851	234,298	230,720	215,985	269,853	304,145	1,520,852
2020 Loss vs. 3 Year Average Budget	(44,599)	(16,088)	(17,479)	(6,414)	(69,284)	(87,017)	(240,882)

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 14 (Continued)

Responding Witness: Amber Pike, Finance & Admin Manager

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.

Industrial Sales (1st and 2nd Quarters)

	Jan	Feb	Mar	Apr	May	Jun	Total
2017	109,225	82,133	125,207	100,621	125,096	130,183	672,465
2018	66,237	83,556	117,665	123,010	132,552	126,957	649,977
2019	80,140	108,232	126,876	127,053	138,936	133,381	714,618
2020 Actual	106,347	108,371	108,522	105,711	67,743	66,503	563,197
2020 Loss vs. 3 Year Average Actual	21,146	17,064	(14,728)	(11,183)	(64,452)	(63,670)	(115,823)
2020 Budget	125,932	91,378	94,340	84,667	134,373	162,625	693,315
2020 Loss vs. 3 Year Average Budget	(19,585)	16,993	14,182	21,044	(66,630)	(96,122)	(130,118)

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff’s Initial Request for Information

Question No. 15

Responding Witness: Amber Pike, Finance & Admin Manager

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.

The District has not experienced increased income as a result of COVID-19, however, there has been some cost decrease in the area of salaries and benefits.

	Jan	Feb	Mar	Apr	May	Jun	Total
Payroll Actual	-	-	-	225,046	279,087	211,368	-
Payroll Would Have Been	-	-	-	237,072	290,801	215,969	-
Difference (Cost decrease)	-	-	-	12,027	11,714	4,601	28,342

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 16

Responding Witness: Shaun Youravich, General Manager

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.

- It is our belief that while the Order to cease disconnections for non-payment is in effect, the number of non-paying customers will continue to increase as will the account balances of those not paying. As account balances increase, the ability for customers to pay full balances owed will become increasingly more difficult.
- HCWD#2 has partnered with the Central Kentucky Community Action Council located in Hardin County who will assist eligible customers through their Cares COVID19 program. The program provides funding towards the payment of their water bill for those in need. However, only a small percentage of customers have taken advantage of this program.
- HCWD#2 has not experienced a significant decrease in expenses since the beginning of the COVID-19 Pandemic other than a small decrease in payroll for the few employees who used leave under the Emergency Family Medical Leave Act (EFMLA).
- HCWD#2 also has not experienced a significant increase in expenses other than expenses incurred for the purchase of cleaning and safety supplies along with materials to construct safety barriers.

HARDIN COUNTY WATER DISTRICT NO. 2

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 16

Responding Witness: Shaun Youravich, General Manager

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 (Continued)

- A significant decrease in revenue has been realized from non-payments, late payment penalties, and the decrease in water sales to the industrial and commercial customers that closed or ceased operation during the pandemic.
- Decreased water production at both treatment plants have had minimal impact on expenses since most of the costs are fixed.
- As mentioned above, only a few employees required leave under the EFMLA while most employees continued working. Project and field work have continued while employees practice measures to reduce the spread of COVID-19. Customer service technicians, who would be spending time disconnecting and reconnecting services for non-payment, have been moved to other tasks such as annual meter box inspections, meter testing, meter maintenance, etc. Office staff that would normally deal with customers face-to-face focused their efforts to handle the increase in drive through interactions, the increase in customer email requests, and the significant increase in processing customers' on-line requests.
- Prior to the pandemic customers could conduct most transactions through our website. The few options that were not available before the pandemic were quickly added to help facilitate our customers' needs.