

**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
GRAYSON COUNTY WATER DISTRICT
TO
COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
DATED JUNE 23, 2020**

FILED: July 6th, 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 Grayson County Water District's Response to Commission Staff's Initial Request for Information was transmitted to the Public Service Commission by way of email on July 6th, 2020 and Grayson County Water District will file original paper copies of this filing within 30 days of the lifting of the State of Emergency.



Kevin Shaw, Manager
Grayson County Water District

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 1

Responding Witness: Joseph Cannon

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

A-1. Total customers as of June 30, 2020 is 6,940.

Residential	6,558
Commercial	320
Agricultural	59
Resale	<u>3</u>
Total	6,940

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 2

Responding Witness: Joseph Cannon

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

A-2. Residential	6,558
Commercial	320
Agricultural	59
Resale	3

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 3

Responding Witness: Joseph Cannon

- 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. See attached Excel Spreadsheet for supporting data.**

	Year	Avg Year Bill
a.	2017	\$548.88
b.	2018	\$535.30
c.	2019	\$532.79

	Year	Month	Avg Month Bill
d.	2020	January	\$41.68
	2020	February	\$40.94
	2020	March	\$38.67
	2020	April	\$43.87
	2020	May	\$47.24
	2020	June	\$47.76

Grayson County Water District

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Response to Commission Staff's Initial Request for Information

Question No. 4

Responding Witness: Joseph Cannon

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. See attached Excel Spreadsheet for supporting data.

	Year	Class	Avg Year Bill
a.	2017	Residential	\$470.54
	2017	Commercial	\$1,652.77
	2017	Agricultural	\$1,408.26
	2017	Resale	\$32,355.00
b.	2018	Residential	\$455.47
	2018	Commercial	\$1,591.25

	2018	Agricultural	\$1,360.26
	2018	Resale	\$41,840.67
c.	2019	Residential	\$450.87
	2019	Commercial	\$1,614.35
	2019	Agricultural	\$1,466.34
	2019	Resale	\$42,561.00

d. 2020 total bill by Month and Class:

Month	Class	Avg Month Bill
January	Residential	\$35.95
	Commercial	\$113.25
	Agricultural	\$98.59
	Resale	\$3,623.00
February	Residential	\$34.84
	Commercial	\$119.11
	Agricultural	\$106.47
	Resale	\$3,661.00
March	Residential	\$33.31
	Commercial	\$113.04
	Agricultural	\$75.47

	Resale	\$3,051.00
April	Residential	\$37.86
	Commercial	\$123.46
	Agricultural	\$116.88
	Resale	\$3,262.33
May	Residential	\$41.57
	Commercial	\$122.94
	Agricultural	\$85.25
	Resale	\$3,642.33
June	Residential	\$41.69
	Commercial	\$124.69
	Agricultural	\$113.82
	Resale	\$3,806.67

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 5

Responding Witness: Joseph Cannon

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. See attached Excel Spreadsheet for supporting data.

	Year	Avg Year Bill
a.	2017	\$515.45
b.	2018	\$502.46
c.	2019	\$500.52

d.

Year	Month	Avg Month Bill
2020	January	\$38.99
2020	February	\$38.36
2020	March	\$36.35
2020	April	\$40.99
2020	May	\$44.02
2020	June	\$44.52

Grayson County Water District

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Response to Commission Staff's Initial Request for Information

Question No. 6

Responding Witness: Joseph Cannon

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. See attached Excel Spreadsheet for supporting data.

	Year	Class	Avg Year Bill
a.	2017	Residential	\$440.94
	2017	Commercial	\$1,552.11
	2017	Agricultural	\$1,322.49
	2017	Resale	\$32,355.00
b.	2018	Residential	\$426.36

	2018	Commercial	\$1,491.53
	2018	Agricultural	\$1,282.86
	2018	Resale	\$41,840.67
c.	2019	Residential	\$422.31
	2019	Commercial	\$1,515.42
	2019	Agricultural	\$1,389.31
	2019	Resale	\$42,561.00

d. 2020 Current Bill by Month and Class:

Month	Class	Avg Month Bill
January	Residential	\$33.52
	Commercial	\$105.94
	Agricultural	\$92.22
	Resale	\$3,623.00
February	Residential	\$32.53
	Commercial	\$111.60
	Agricultural	\$99.76
	Resale	\$3,661.00
March	Residential	\$31.23
	Commercial	\$106.27

	Agricultural	\$70.95
	Resale	\$3,051.00
April	Residential	\$35.28
	Commercial	\$115.35
	Agricultural	\$109.21
	Resale	\$3,262.33
May	Residential	\$38.62
	Commercial	\$114.57
	Agricultural	\$79.45
	Resale	\$3,642.33
June	Residential	\$38.74
	Commercial	\$116.20
	Agricultural	\$106.07
	Resale	\$3,806.67

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 7

Responding Witness: Joseph Cannon

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. See attached Excel Spreadsheet for supporting data.

- a. An account is considered bad debt 90 days after its disconnection date. At that time at our monthly board meeting our board approves bad debts each month to be transferred to a collection agency and written off. The bad debts are transferred and written off at 120 days delinquent.
- b. See supporting spread sheet.
- c. Not applicable.

Grayson County Water District

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Response to Commission Staff's Initial Request for Information

Question No. 8

Responding Witness: Joseph Cannon

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.

Accounts subject to disconnection as of 06/30/2020.

Residential: 267

Commercial: 4

Agricultural: 1

Resale: 0

Total: 272

Grayson County Water District

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Response to Commission Staff's Initial Request for Information

Question No. 9

Responding Witness: Joseph Cannon

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 attached Excel Spreadsheet for supporting data.

Year	Class	% Paid on Time
a. 2017	Residential	92.55%
	Commercial	97.81%
	Agricultural	96.23%
	Resale	100.00%
b. 2018	Residential	92.70%
	Commercial	98.12%
	Agricultural	96.55%
	Resale	100.00%
c. 2019	Residential	92.66%

Commercial	97.81%
Agricultural	96.55%
Resale	100.00%

d. 2020

Month	Class	% Paid on Time
January	Residential	92.76%
	Commercial	97.8%
	Agricultural	96.55%
	Resale	100.00%
February	Residential	92.65%
	Commercial	97.77%
	Agricultural	96.55%
	Resale	100.00%
March	Residential	93.33%
	Commercial	98.09%
	Agricultural	96.55%
	Resale	100.00%
April	Residential	89.97%
	Commercial	97.13%
	Agricultural	94.83%

	Resale	100.00%
May	Residential	88.60%
	Commercial	96.52%
	Agricultural	94.83%
	Resale	100.00%
June	Residential	86.79%
	Commercial	95.94%
	Agricultural	94.92%
	Resale	100.00%

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 10

Responding Witness: Joseph Cannon

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 attached Excel Spreadsheet for data.

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 11

Responding Witness: Joseph Cannon

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 attached Excel Spreadsheet for Data.

Grayson County Water District

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Response to Commission Staff's Initial Request for Information

Question No. 12

Responding Witness: Joseph Cannon

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.

Month	Total Forfeited Discounts
March	\$2,175.00
April	\$5,512.00
May	\$6,308.00
June	\$7,352.00
Total	\$21,347.00

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 13

Responding Witness: Joseph Cannon

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 Grayson County Water District has not provided any written communication to customers regarding arrearages, late payments, payment plans, since March 16th, 2020. District employees have communicated verbally, on a customer by customer basis, the current policies and procedures regarding these topics. Also, the District suspended sending delinquent notices during this time.

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 14

Responding Witness: Joseph Cannon

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 had a few Covid-19 specific costs but in general costs have remained consistent with past months and years expenses. The District has incurred expenses for the installation of a glass partition at our cashier counter, for advertisements explaining our Covid-19 emergency response plan, and minimal increased costs for treating additional water sold. Decreased income from Covid-19 has predominately come from not billing Forfeited Discounts. The District has also experienced a gradual increase in accounts in arrears which it expects will eventually lead to an increase in write-offs for bad debt.

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 15

Responding Witness: Joseph Cannon

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 has had minimal decreases in costs due to Covid-19. There has been a slight decrease in bill printing services since the District suspended sending Delinquent account notices after March 16, 2020. The District has noticed a small increase in water sales during the Covid-19 State of Emergency.

Grayson County Water District

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 16

Responding Witness: Joseph Cannon

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.

The District does not believe additional data or information is required.