

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF OWEN)

Michael Cobb, being duly sworn, states that he has supervised the preparation of the response of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Initial Request for Information dated June 23, 2020, in the above-referenced case, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Witness my hand this 7th day of July, 2020



 Michael Cobb

Subscribed and sworn before me this 7th day of July, 2020



 Notary Public

My Commission expires April 25, 2023



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

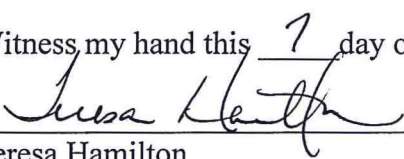
In the Matter of:

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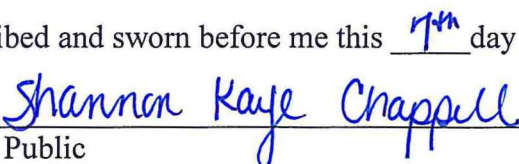
CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF OWEN)

Teresa Hamilton, being duly sworn, states that she has supervised the preparation of the response of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Initial Request for Information dated June 23, 2020, in the above-referenced case, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Witness my hand this 7 day of July, 2020


 Teresa Hamilton

Subscribed and sworn before me this 7th day of July, 2020


 Notary Public

My Commission expires April 25, 2023



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF OWEN)

Mike Stafford, being duly sworn, states that he has supervised the preparation of the response of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Initial Request for Information dated June 23, 2020, in the above-referenced case, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Witness my hand this 7th day of July, 2020

Mike Stafford
 Mike Stafford

Subscribed and sworn before me this 7th day of July, 2020

Shannon Kaye Chappell
 Notary Public

My Commission expires April 25, 2023



**OWEN ELECTRIC COOPERATIVE
PSC CASE NO. 2020-00085
RESPONSE TO INFORMATION REQUEST**

**COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO EACH OF
EAST KENTUCKY POWER COOPERATIVE, INC.'S MEMBER COOPERATIVES
AND BIG RIVERS ELECTRIC CORPORATION'S MEMBER COOPERATIVES
DATED JUNE 23, 2020**

REQUEST 1

RESPONSIBLE PARTY: Teresa Hamilton

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

Response 1: See page 2 of this response or in electronic format the excel workbook titled Owen_Electrics_Excel_Response – Tab Response 1.

Owen Electric Cooperative, Inc.
Current Number of Customers

<u>Period</u>	<u>Total</u>
As of May 31, 2020	62,639

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DATED JUNE 23, 2020**

REQUEST 2

RESPONSIBLE PARTY: Teresa Hamilton

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

Response 2: See page 2 of this response or in electronic format the excel workbook titled –
Owen_Electrics_Excel_Response – Tab Response 2.

Owen Electric Cooperative, Inc.
Current Number of Customers Per Class

<u>Period</u>	<u>Residential</u>	<u>Small & Large Commercial</u>	<u>Industrial</u>
As of May 31, 2020	59,808	2,804	27

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DATED JUNE 23, 2020**

REQUEST 3

RESPONSIBLE PARTY: Teresa Hamilton

Request 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 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.

Response 3: See page 2 of this response or in electronic format the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 3.

Owen Electric Cooperative, Inc.

Average Total Residential Bill

(Including charges for current and past service that is unpaid, including the accumulation of fees)

<u>Period</u>	<u>Average</u>
2017	\$ 251.04
2018	\$ 266.17
2019	\$ 258.93
2020/01	\$ 265.34
2020/02	\$ 266.96
2020/03	\$ 237.14
2020/04	\$ 200.28
2020/05	\$ 206.00

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DATED JUNE 23, 2020**

REQUEST 4

RESPONSIBLE PARTY: Teresa Hamilton

Request 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.

Total bill is defined as including charges for current service and past service that is unpaid, including the accumulation of fees.

Response 4: See page 2 of this response or in electronic format the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 4.

Owen Electric Cooperative, Inc.
Average Total Bill By Class

(Including charges for current and past service that is unpaid, including the accumulation of fees)

Period	Small & Large		
	Residential	Commercial	Industrial
2017	\$ 138.41	\$ 798.76	\$ 238,425.28
2018	\$ 150.40	\$ 828.00	\$ 229,633.95
2019	\$ 145.19	\$ 827.32	\$ 198,704.99
2020/01	\$ 149.66	\$ 786.24	\$ 194,833.98
2020/02	\$ 158.98	\$ 788.57	\$ 184,345.51
2020/03	\$ 131.45	\$ 728.38	\$ 183,824.45
2020/04	\$ 124.81	\$ 674.57	\$ 118,296.84
2020/05	\$ 124.35	\$ 677.32	\$ 132,467.56

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DATED JUNE 23, 2020**

REQUEST 5

RESPONSIBLE PARTY: Teresa Hamilton

Request 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 5: See page 2 of this response or in electronic format the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 5.

Owen Electric Cooperative, Inc.
Average Bill for Current Service for All Customers

<u>Period</u>	<u>Average</u>
2017	\$ 224.21
2018	\$ 235.69
2019	\$ 228.67
2020/01	\$ 236.34
2020/02	\$ 221.30
2020/03	\$ 200.48
2020/04	\$ 164.87
2020/05	\$ 175.71

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DATED JUNE 23, 2020**

REQUEST 6

RESPONSIBLE PARTY: Teresa Hamilton

Request 6: 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 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 6: See page 2 of this response or in electronic format the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 6.

Owen Electric Cooperative, Inc.
Average Bill for Current Service By Class

Period	Small & Large		
	Residential	Commercial	Industrial
2017	\$ 115.91	\$ 712.43	\$ 236,297.53
2018	\$ 124.24	\$ 739.88	\$ 224,619.03
2019	\$ 120.39	\$ 718.33	\$ 195,260.46
2020/01	\$ 125.76	\$ 679.91	\$ 191,671.45
2020/02	\$ 122.76	\$ 621.15	\$ 172,692.09
2020/03	\$ 100.96	\$ 605.92	\$ 177,244.96
2020/04	\$ 97.04	\$ 538.96	\$ 111,010.37
2020/05	\$ 101.93	\$ 554.22	\$ 124,587.45

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DATED JUNE 23, 2020**

REQUEST 7

RESPONSIBLE PARTY: Mike Stafford

Request 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 change.

Response 7:

- a. Owen's unpaid account balances are written off as bad debt if amounts due are not paid within 120 days of when the account becomes inactive. During this period the following collection activity occurs: 1. Final bill is sent. 2. First collection letter is sent 20 to 30 days after final bill. 3. Second collection letter is sent approximately 45 days after final bill. 4. Attempt phone call to member. After 120 days, unpaid accounts are written off as uncollectible bad debt.

- b. See page 3 of this response or in electronic format the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 7b.
- c. Owen Electric has not changed its calculation or determination of bad debt in the past two years.

Owen Electric Cooperative, Inc.
Bad Debt Write-Offs

<u>Period</u>	<u>Amount</u>
2018/01	\$ 25,084
2018/02	\$ 19,698
2018/03	\$ 20,769
2018/04	\$ 14,602
2018/05	\$ 15,430
2018/06	\$ 8,461
2018/07	\$ 16,445
2018/08	\$ 14,283
2018/09	\$ 9,315
2018/10	\$ 11,499
2018/11	\$ 6,811
2018/12	\$ 6,408
2019/01	\$ 15,773
2019/02	\$ 21,090
2019/03	\$ 19,769
2019/04	\$ 14,343
2019/05	\$ 7,504
2019/06	\$ 6,454
2019/07	\$ 11,098
2019/08	\$ 16,517
2019/09	\$ 12,893
2019/10	\$ 11,565
2019/11	\$ 6,989
2019/12	\$ 10,366
2020/01	\$ 17,888

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REQUEST 8

RESPONSIBLE PARTY: Mike Stafford

Request 8: Assuming the Commission's moratorium on disconnections was not in effect, provide the number of customers in each class that would be subject for disconnection and the date used for this determination.

Response 8: See page 2 of this response or in electronic form the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 8. Please note the statistics for residential and small & large commercial are aggregated. Owen Electric does not have the capability to separate this data by these particular classes.

Owen Electric Cooperative, Inc.
Number of Customers in Each Class
Subject for Disconnection as of May 31, 2020

<u>Period</u>	<u>Residential and Small & Large Commercial</u>	<u>Industrial</u>
As of May 31, 2020	1,072	3

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REQUEST 9

RESPONSIBLE PARTY: Teresa Hamilton

Request 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 9: See page 2 of this response or in electronic form the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 9. Please note the statistics for residential and small & large commercial are aggregated. Owen Electric does not have the capability to separate this data by these particular classes.

Owen Electric Cooperative, Inc.
Percent of Customers that Pay On Time by Class

Period	Residential and Small & Large	
	Commercial	Industrial
2017	85%	96%
2018	86%	96%
2019	86%	95%
2020/01	85%	93%
2020/02	88%	92%
2020/03	86%	96%
2020/04	87%	100%
2020/05	89%	96%

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REQUEST 10

RESPONSIBLE PARTY: Mike Stafford

Request 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 for customers only for nonpayment of bills.
- c. Provide the total number of customers for each month.

Response 10: See page 2 of this response or in electronic form the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 10. Please note the statistics for residential and small & large commercial are aggregated. Owen Electric does not have the capability to separate this data by these particular classes.

Owen Electric Cooperative, Inc.
 All Termination Notices and Terminations For Non-Payment
 2015 through 2019

(a) Total service termination notices issued
 Residential, Small & Large Commercial

Year	Annually	January	February	March	April	May	June	July	August	September	October	November	December
2015	118,796	10,544	9,333	10,257	10,131	9,118	9,119	10,505	9,428	10,860	10,616	8,122	10,763
2016	115,560	8,682	10,367	10,188	9,236	8,630	9,172	9,042	11,119	10,129	10,266	9,649	9,080
2017	109,361	9,658	9,605	10,323	7,732	9,600	8,476	7,526	10,971	8,521	9,597	9,116	8,236
2018	105,481	9,145	9,179	9,458	7,766	9,430	8,237	8,319	10,186	7,782	9,848	8,531	7,600
2019	104,184	10,043	8,187	8,583	8,264	8,643	6,872	9,209	9,431	8,622	10,363	6,938	9,029

Industrial

Year	Annually	January	February	March	April	May	June	July	August	September	October	November	December
2015	9	1	1	1	0	1	1	0	0	1	1	1	1
2016	6	1	0	1	1	1	0	1	1	0	0	0	0
2017	9	0	2	1	2	1	0	0	1	0	2	0	0
2018	11	1	1	0	0	0	0	0	1	2	2	2	2
2019	16	2	2	1	0	1	1	1	0	1	2	2	3

(b) Total service terminations

Residential, Small & Large Commercial

Year	Annually	January	February	March	April	May	June	July	August	September	October	November	December
2015	4,332	439	211	456	464	416	288	356	361	359	386	300	296
2016	3,927	339	354	384	361	292	272	314	364	371	307	300	269
2017	4,686	393	348	454	471	331	342	384	465	468	415	327	288
2018	5,448	474	591	481	451	471	400	470	453	478	449	366	364
2019	4,519	410	426	402	416	386	298	357	455	398	395	326	250

Industrial

Year	Annually	January	February	March	April	May	June	July	August	September	October	November	December
2015	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	0

(c) Total number of customers per month

Residential

Year	Annually	January	February	March	April	May	June	July	August	September	October	November	December
2015	681,046	56,149	56,195	56,390	56,512	56,673	56,857	56,965	57,049	57,045	57,125	57,077	57,009
2016	689,199	56,909	56,958	57,126	57,190	57,395	57,586	57,522	57,748	57,658	57,689	57,717	57,701
2017	697,504	57,626	57,640	57,877	57,848	58,110	58,235	58,241	58,408	58,328	58,430	58,458	58,303
2018	705,721	58,250	58,265	58,490	58,642	58,833	58,879	59,016	59,170	58,988	59,222	59,059	58,907
2019	713,515	58,977	58,902	59,153	59,248	59,495	59,414	59,694	59,757	59,670	59,842	59,663	59,700

Small & Large Commercial

Year	Annually	January	February	March	April	May	June	July	August	September	October	November	December
2015	31,670	2,631	2,622	2,617	2,643	2,636	2,634	2,644	2,639	2,670	2,650	2,655	2,629
2016	32,000	2,626	2,633	2,608	2,646	2,626	2,661	2,671	2,683	2,698	2,709	2,727	2,712
2017	32,876	2,712	2,706	2,720	2,726	2,732	2,746	2,748	2,754	2,756	2,749	2,759	2,768
2018	33,155	2,739	2,742	2,760	2,751	2,760	2,754	2,761	2,762	2,773	2,787	2,792	2,774
2019	33,501	2,793	2,777	2,761	2,760	2,776	2,777	2,787	2,801	2,817	2,804	2,812	2,836

Industrial

Year	Annually	January	February	March	April	May	June	July	August	September	October	November	December
2015	187	15	15	15	15	15	15	15	16	16	16	17	17
2016	234	18	19	19	20	20	21	20	19	19	19	20	20
2017	242	21	20	20	20	20	20	20	20	20	20	20	21
2018	263	20	22	20	21	22	22	22	22	23	23	23	23
2019	301	24	24	24	24	25	26	25	25	26	26	26	26

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DATED JUNE 23, 2020**

REQUEST 11

RESPONSIBLE PARTY: Mike Stafford

Request 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 11: See page 2 of this response or in electronic form the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 11.

Owen Electric Cooperative, Inc.
Income from Late Payment Fees

	<u>Period</u>	<u>Amount</u>
(a)	2017/01	\$ 82,126
	2017/02	\$ 81,502
	2017/03	\$ 89,957
	2017/04	\$ 50,668
	2017/05	\$ 73,981
	2017/06	\$ 61,339
	2017/07	\$ 53,637
	2017/08	\$ 109,120
	2017/09	\$ 63,396
	2017/10	\$ 80,288
	2017/11	\$ 63,738
	2017/12	\$ 57,802
(b)	2018/01	\$ 99,248
	2018/02	\$ 84,455
	2018/03	\$ 92,602
	2018/04	\$ 60,985
	2018/05	\$ 76,805
	2018/06	\$ 55,915
	2018/07	\$ 72,221
	2018/08	\$ 93,164
	2018/09	\$ 61,749
	2018/10	\$ 91,285
	2018/11	\$ 72,074
	2018/12	\$ 50,456
(c)	2019/01	\$ 111,918
	2019/02	\$ 73,236
	2019/03	\$ 97,731
	2019/04	\$ 78,726
	2019/05	\$ 62,671
	2019/06	\$ 43,658
	2019/07	\$ 81,586
	2019/08	\$ 80,883
	2019/09	\$ 69,994
	2019/10	\$ 101,918
	2019/11	\$ 44,420
	2019/12	\$ 77,520
(d)	2020/01	\$ 81,893
	2020/02	\$ 66,103
	2020/03	\$ 52,517
	2020/04	\$ -
	2020/05	\$ -

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DATED JUNE 23, 2020**

REQUEST 12

RESPONSIBLE PARTY: Mike Stafford

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

Response 12: See page 2 of this response or in electronic form the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 12.

Owen Electric Cooperative, Inc.
Amount of Late Payment Fees Not Assessed

<u>Period</u>	<u>Approx. Amount</u>
03/17/2020-5/31/2020	\$ 178,623

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REQUEST 13

RESPONSIBLE PARTY: Mike Stafford

Request 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 13: Owen Electric has utilized many different platforms to communicate with our members during the pandemic. Members were able to read about the actions of Kentucky cooperatives in *Kentucky Living*. Articles found in the May and June editions encouraged members to seek payment assistance if necessary and to reach out to their local cooperative with details regarding their particular response(s) to COVID-19. Since April 1, messages have been included on bills that encourage members to contact Owen Electric if they are experiencing difficulties paying their account balances. Messages have been posted on www.owenelectric.com and information has been shared on Facebook, Instagram, Twitter and through a radio advertisement which was broadcast for 17 consecutive days in late April. Content shared across these platforms includes information relative to changes in business operations, contact information for payment assistance programs, and messages to members encouraging them to

make payments or to contact the Cooperative regarding payment arrangements. In addition to these various methods of communication, Owen Electric was proactive in attempting to contact our members individually. Members enrolled in our prepay program received (and continue to receive) daily alerts via email and/or text message informing them of their energy usage and account balance. Member Service Representatives also made (and continue to make) outbound calls in an attempt to contact every account holder with a delinquent balance. The objective of these calls was to encourage our members not to defer large balances, offer partial payment arrangement plans, and direct them to payment assistance programs (LIHEAP at Community Action Kentucky, for example).

Please see pages 3 thru 21 of this response for copies of communications to Owen's members.

In electronic format, please see files titled– Owens_Response_13_pgs_3_thru_18 and Owens_Response_13_pgs_19_thru_21 – for copies of communications to Owen's members.

OWEN ELECTRIC COOPERATIVE
PSC CASE NO. 2020-00085
RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO EACH OF
EAST KENTUCKY POWER COOPERATIVE, INC.'S MEMBER COOPERATIVES
AND BIG RIVERS ELECTRIC CORPORATION'S MEMBER COOPERATIVES
DATED JUNE 23, 2020**

REQUEST 14

RESPONSIBLE PARTY: Teresa Hamilton

Request 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 14: See page 2 of this response or in electronic form the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 14.

Owen Electric Cooperative, Inc.
 Cost Increases and Decreased Income Experienced as a result of the COVID-19 State of Emergency

Responses are based upon month ending 5/31/20:

Cost Increases:

Additional office cleaning and weekly fogging	\$	17,143
Masks, hand sanitizer and cleaning wipes	\$	2,831
Headsets, laptops, and other expenses to accommodate for remote working capabilities	\$	9,248
Web Ex Enterprise (monthly fee - May)	\$	281
COVID 19 Quarantined Labor	\$	1,929
Additional Vehicle and Labor Expense (compliance with COVID 19)	\$	2,690
Contractor - more pay and vehicles to ensure proper distancing	\$	2,680
	<u>\$</u>	<u>36,802</u>

Decreased Income:

Estimated forfeited late fees (approx. see Request 12)	\$	178,623
Estimated lost collections fees (comparison to 2019)	\$	106,110

Reduced Margins due to Reduced kWh Sales by Class*

Class of Service:	<u>01/19-05/19</u>	<u>01/20-05/20</u>	<u>reduced kWh Sold</u>	<u>Margins**</u>
Residential/Small Power	328,082,562	318,279,005	9,803,557	585,361
Small Commercial	111,964,476	102,316,838	9,647,638	379,490
Large Commercial	538,273,349	519,444,725	18,828,624	<u>52,927</u>
			Total:	<u>\$ 1,302,511</u>

*not weather normalized

**calculation based on retail tariffs kwh rate less wholesale power rate

**OWEN ELECTRIC COOPERATIVE
PSC CASE NO. 2020-00085
RESPONSE TO INFORMATION REQUEST**

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AND BIG RIVERS ELECTRIC CORPORATION'S MEMBER COOPERATIVES
DATED JUNE 23, 2020**

REQUEST 15

RESPONSIBLE PARTY: Teresa Hamilton

Request 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 15: See page 2 of this response or in electronic form the excel workbook titled – Owen_Electrics_Excel_Response – Tab Response 15.

Owen Electric Cooperative, Inc.

Cost Decreases and Increased Income Experienced as a result of the COVID-19 State of Emergency

Responses are based upon month ending 5/31/20:

Cost Decreases:

Field Service Representative overtime labor	\$ 2,629
Training and Education (safety, cyber security, and general)	\$ 22,218
Interest reduction on line of credit (Wholesale Supplier extended terms on power bill)	\$ 11,479
Total:	<u>\$ 36,326</u>

Increased Income:

	<u>\$ -</u>
Total:	<u>\$ -</u>

OWEN ELECTRIC COOPERATIVE
PSC CASE NO. 2020-00085
RESPONSE TO INFORMATION REQUEST

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DATED JUNE 23, 2020**

REQUEST 16

RESPONSIBLE PARTY: Michael Cobb

Request 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 16: As a member-owned Cooperative, Owen Electric has a long established history of working closely with our members in need of assistance. We remain committed to assisting our member-consumers by offering caring and sensible action and best practices during this uncertain time. With each additional month the moratorium is in effect, many of our most economically vulnerable and budget challenged members may fall further behind in their past due balances. The summer months typically bring hotter temperatures and corresponding higher electric bills. The concern is that even with extended partial payment plans, these arrearage balances may grow to such an amount that budgeting for and catching up their balances may prove to be extremely difficult for our member-consumers. Because cooperatives operate on a non-profit basis, any impact to expected revenues and increased costs presents a challenge. An overarching desire of Owen Electric Cooperative is to promote the well-being of our membership while remaining a sound and viable electric service provider. To that end, we

encourage the Commission to ensure that the Cooperative is able to meet both goals by expediting the lifting of the moratorium so that we can begin to work with our members to bring them current in a jointly-agreed upon manner.

OWEN ELECTRIC COOPERATIVE
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RESPONSE TO INFORMATION REQUEST

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DATED JUNE 23, 2020**

REQUEST 17

RESPONSIBLE PARTY: Mike Stafford

Request 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 17: Owen Electric's prepay metering program presents a unique set of circumstances as a result of the suspension of disconnections for nonpayment. A total of 467 members are currently enrolled in our prepay program. Over 20% of these accounts have deferred payments during the moratorium on disconnections for nonpayment. The amount of deferred bills on prepay accounts collectively exceeds a total of \$20,000 in past due amounts. Once the Commission's current order is lifted, these account holders will be expected to pay towards future energy consumption while also paying off balances accrued during the pandemic. If directed by the Commission, Owen Electric can utilize a debt-management tool to gradually pay off deferred balances while also allowing these members to pay towards current/future energy consumption. However, these members will likely have to make payments more frequently than they are accustomed to if a portion of their payments are allocated towards older debt.