



JACKSON ENERGY

A Touchstone Energy[®]
Cooperative



CASE No. 2020-00085

**Electronic Emergency Docket Related to the Novel Coronavirus
COVID-19**

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

July 7, 2020

115 Jackson Energy Lane ~ McKee, KY 40447 ~ 606-364-1000

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**JACKSON ENERGY COOPERATIVE CORPORATION RESPONSE TO
COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION**

STATE OF KENTUCKY)

COUNTY OF JACKSON)

I, Ryan Henderson, state that I am the Vice President of Corporate Services, of Jackson Energy Cooperative, that I have personal knowledge of the matters set forth in this response to the Commission's request for information, and that the statements and calculations contained in each are true as I verily believe.

This 7 day of July 2020


Ryan Henderson

SUBSCRIBED AND SWORN to before me by Ryan Henderson this 7th day of July, 2020.


Notary Public, KY State at Large

My Commission Expires: 1/19/22

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

Response:

As of June 30, 2020, Jackson Energy has 51,994 active Member accounts.

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2. If applicable, provide the utility's current number of customers by class.

Response:

See attached Exhibit 2A provided in Excel format for data as of June 30, 2020.

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3. If a utility provides multiple services, such as both electric and gas residential service, provide the information request 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:

See attached Exhibit 3A provided in Excel format.

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4. If a utility provides multiple services, such as both electric and gas residential service, provide the information request 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:

See attached Exhibit 4A in Excel format.

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5. If a utility provides multiple services, such as both electric and gas residential service, provide the information request 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:

See attached Exhibit 5A in Excel format.

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6. If a utility provides multiple services, such as both electric and gas residential service, provide the information request 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 arrearages for all customers and for each class, respectively.

Response:

See attached Exhibit 6A provided in Excel format.

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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.

Response:

- a. Jackson Energy writes off bad debt when an account has been disconnected for 6 months without payment and any outstanding membership or deposit has been refunded.
- b. See attached Exhibit 7A provided in Excel format. Because of our six-month lag in write-offs, our write-offs are booked and tracked in the month of disconnect (i.e. January disconnects are written off in July and tracked as January). For that reason, there is no data for 2020 as Jackson Energy has not written off any bad debt for 2020 at this time.
- c. Jackson Energy has not made any changes in the past two years regarding the calculation or determination of bad debt.

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8. Assuming the Commission's moratorium of 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.

Response:

See attached Exhibit 8A provided in Excel format as of June 30, 2020.

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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:

See attached Exhibit 9A provided in Excel format. The data is provided for all Members and cannot be provided by class.

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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 service or combined if billed on a combined basis. Further, provide the following information by class.
- a. Provide the monthly totals of service termination notices issued to customer only for nonpayment of bills.
 - b. Provide monthly totals of service terminations for customers only for nonpayment 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 the 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.

Response:

See attached Exhibit 10A provided in Excel format.

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11. Provide the total income receive for 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:

See attached Exhibit 11A provided in Excel format. Late fees are reflected as income for the previous month (Late fees assessed in March are reflected on February's income).

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

Response:

Jackson Energy had already made the decision to suspend late fees prior to the Commission's directive. If Jackson Energy had been operating under normal procedures since March 16, 2020, the utility would have assessed approximately \$350,000.00 in late fees through June 30, 2020.

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13. Provide copies of all general communication provide to customers regarding arrearages, late payments, payment plans, etc. since March 16, 2020. Customer-specific communication is excluded from this request.

Response:

All of Jackson Energy's general communications regarding arrearages, late payments, payment plans, etc. have been communicated via social media. All other communications have been Member specific. Social media posts are included in Exhibit 13A.

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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:

Expenses specific to the COVID-19 outbreak are provided below.

Gloves/Masks	\$ 6,842.19
Sanitizer/Disinfectant	\$ 5,613.30
Extra Janitorial Expense	\$ 6,519.00
<u>Other Expenses</u>	<u>\$ 4,086.84</u>
Total	\$23,061.33

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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:

While Jackson Energy has realized some savings to utility bills and office supplies due to many of our employees working from home, we consider these savings to be minimal and inconsequential.

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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:

Jackson Energy Cooperative has served its community for more than 82 years. As a not-for-profit cooperative, we are acutely aware of the fact that every penny we spend is borne by our Members. These unprecedented times have brought that mindset to the forefront for Jackson Energy. We would simply encourage the Commission to afford us the opportunity and flexibility to work with our Members in managing their accounts through the use of late fees and disconnection notices while still being sensitive to the challenges that our Members are facing.

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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:

As of June 30, 2020, 30.31% of our prepay Members have a debit balance. The total debit balance for those Members is \$354,243.17.